

# **ABET BOARD OF DIRECTORS RULES OF PROCEDURE**

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CURRENT AS OF NOVEMBER 03, 2018





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## SECTION ONE: Purpose

These Rules of Procedure define the operations of the ABET Board of Directors, its Councils and Committees. They are derived from and subsidiary to the Constitution and Bylaws.

## SECTION TWO: Conflict of Interest

### A. Policy:

Service as an ABET Board Director, Board Delegate, Member Society representative to an Area Delegation, on a Committee, Council, or Commission, as a Team Chair or Program Evaluator, Alternate to the Board of Delegates, Area Delegation, or Commission, or ABET staff member creates situations that may result in conflicts of interest or questions regarding the objectivity and credibility of ABET's accreditation process. ABET expects these individuals to behave in a professional and ethical manner, to disclose real or perceived conflicts of interest, and to excuse themselves from discussions or decisions related to real or perceived conflicts of interest or questions regarding the objectivity and credibility of the accreditation process. The intent of this policy is to:

1. Maintain credibility in the accreditation process and confidence in the decisions of the Board of Directors, the Board of Delegates, Area Delegations, Committees and Councils, Commissions, Team Chairs, Program Evaluators, and staff members;
2. Assure fairness and impartiality in decision-making;
3. Disclose real or perceived conflicts of interest; and
4. Act impartially to avoid the appearance of impropriety.

### B. Procedure:

1. Individuals representing ABET must decline an assignment and absent themselves from any portion of an ABET meeting or program review in which discussions or decisions occur for which they have a real or perceived conflict of interest. Real or perceived conflicts may occur if there is:
  - a. A close, active association with a program or institution;
  - i. A close, active association with a program or institution that is being or has been considered for official action by ABET includes but is not limited to:

- a) Current or past employment as faculty, staff, or consultant by the institution or program;
  - b) Current or past discussion or negotiation of employment with the institution or program;
  - c) Attendance as a student at the institution;
  - d) Receipt of an honorary degree from the institution;
  - e) An institution or program where a close family relative is, or was, a student or employee within the past 10 years; or,
  - f) An unpaid official relationship within the past 10 years with an institution, e.g. membership on the institution's governing board or an advisory board.
- b. A financial or personal interest;
  - c. Past assignment as an ABET team member at the institution;
  - d. Any reason that the individual cannot render an unbiased decision.
2. Members of the ABET Board of Directors and staff members may observe an accreditation visit, but they are not eligible to serve as Program Evaluators or Team Chairs. Commissioners are not eligible to serve concurrently on the Board of Directors, the Board of Delegates, or Area Delegations; nor are ABET Directors or Delegates eligible to serve concurrently on an ABET Commission. Area Directors, in their role as liaisons to the Commissions, serve as ex-officio, non-voting members of the Commissions.
  3. A record of real or perceived conflicts of interest will be maintained for all those involved in the accreditation process. Each individual will be provided the opportunity to update this record annually. Each Member Society will have access to their volunteers' records for the purposes of annually updating or removing Program Evaluators from the approved list. The records of conflicts of interest will be utilized annually in team chair and program evaluator selection.
  4. All individuals representing ABET must sign annually conflict of interest and confidentiality statements indicating that they have read and understand these policies. The policies on conflict of interest and confidentiality will be reviewed at the start of each Board of Directors, Board of Delegates, Area Delegation, and Commission meeting.
  5. ABET will maintain a record of the names of individuals recusing themselves for conflicts of interest at each meeting related to accreditation decision making.

## **SECTION THREE: Confidentiality**

### **A. Ethical Conduct:**

ABET requires ethical conduct by each volunteer and staff member engaged in fulfilling the purposes of ABET. The organization requires that every volunteer and staff member exhibit the highest standards of professionalism, honesty, and integrity. The services provided by ABET require impartiality, fairness, and equity. All persons involved with ABET activities must perform their duties under the highest standards of ethical behavior. Information provided by the institution is for the confidential use of ABET personnel, including but not necessarily limited to, members of the Board of Directors, Board of Delegates, Area Delegations, Commissions, Committees, Councils, Team Chairs, Program Evaluators, ABET staff, and ad hoc participants in other ABET activities. The information provided by the institution will not be disclosed without specific written authorization of the designated official institution contact

### **B. Privileged Information:**

The contents of all materials furnished for review purposes, from the submission of the Self-Study through the Final Statement completion, and discussion during the Commissions' meetings are considered privileged information. The contents of those documents and the accreditation actions taken may be disclosed only by ABET staff, and only under appropriate circumstances. All communications between institutions and evaluators or commissioners regarding final accreditation actions must be referred to ABET headquarters.

### **C. Accredited Program List:**

ABET publicly identifies programs that have been accredited and programs for which accreditation was denied or withdrawn by ABET.

## **SECTION FOUR: Code of Conduct**

ABET requires that each volunteer and staff member engaged in fulfilling the purposes of ABET exhibit the highest standards of professionalism, honesty, and integrity, including compliance with the ABET Constitution, Bylaws, appropriate Rules of Procedure and APPM. The services provided by ABET require impartiality, fairness, and equity. All persons involved with ABET activities must perform their duties under the highest standards of ethical behavior. It is the purpose of this code to detail the ethical standards under which we agree to operate.

## **A. The Code:**

All ABET volunteers and staff members commit to the highest ethical and professional conduct and agree:

1. To accept responsibility in making accreditation decisions consistent with approved Criteria and the safety, health, and welfare of the public, and to disclose promptly, factors that might endanger the public;
2. To perform services only in areas of their competence;
3. To act as faithful agents or trustees of ABET, avoiding real or perceived conflicts of interest whenever possible, disclosing them to affected parties when they do exist;
4. To keep confidential all matters relating to accreditation decisions unless required by law to disclose information, or unless the public is endangered by doing so;
5. To make or issue either public or internal statements only in an objective and truthful manner;
6. To conduct themselves honorably, responsibly, ethically, and lawfully so as to enhance the reputation and effectiveness of ABET;
7. To report concerns regarding accounting, internal accounting controls, or auditing matters without fear of retaliation, subsequently known as ABET's Whistleblower Policy;
8. To treat all persons involved in accreditation activities with fairness and justice;
9. To assist colleagues and co-workers in their professional development and to support them in following this code of conduct; and
10. To support a mechanism for the prompt and fair adjudication of alleged violations of this code.

## **B. Guidelines for Interpretation of the Code of Conduct:**

The ABET guidelines for interpretation of the Code of Conduct connect the principles expressed in the Code of Conduct with the day-to-day activities and decisions faced by ABET volunteers and staff. The 10 elements of the Code (numbered 1-10 in Section Four A.) are repeated below followed by specific Guidelines for their interpretation. All ABET volunteers and staff members have been trained in the implementation of these Guidelines and have signed in support of the Code and its Guidelines:

1. To accept responsibility in making accreditation decisions consistent with approved Criteria and the safety, health, and welfare of the public, and to disclose promptly factors that might endanger the public.
  - a. All those involved in ABET activities shall recognize that the lives, safety, health, and welfare of the general public are dependent upon a pool of qualified graduate professionals to continue the work of their profession.
  - b. Programs shall not receive accreditation that do not meet the Criteria as set forth by the profession through ABET in the areas of applied and natural sciences, computing, engineering, and engineering technology.
  - c. If ABET volunteers or staff members have knowledge of, or reason to believe that, an accredited program may be non-compliant with the appropriate Criteria, they shall present such information to the ABET Executive Director in writing and shall cooperate with ABET in furnishing such further information or assistance as may be required.
2. To perform services only in areas of their competence.
  - a. All those involved in ABET activities shall undertake accreditation assignments only when qualified by education and/or experience in the specific technical field involved.
3. To act as faithful agents or trustees of ABET, avoiding real or perceived conflicts of interest whenever possible, disclosing them to affected parties when they do exist.
  - a. All those involved in ABET activities shall avoid all known or perceived conflicts of interest when representing ABET in any situation.
  - b. They shall disclose all known or potential conflicts of interest that could influence or appear to influence their judgment or the quality of their services.
  - c. They shall not serve as a consultant in accreditation matters to a program or institution while serving as a Director, Commissioner, or Alternate Commissioner. Delegates, Alternate Delegates, Team chairs and program evaluators may do so. Those who have or will serve as consultants must disclose this to ABET per the ABET Conflict of Interest Policy and may not participate in any deliberations regarding ABET matters for that institution.
  - d. They shall not undertake any assignments or take part in any discussions that would knowingly create a potential conflict of interest between them and ABET or between them and the institutions seeking programmatic accreditation.

- e. They shall not solicit or accept gratuities, directly or indirectly, from programs under review for accreditation.
  - f. They shall not solicit or accept any contribution, directly or indirectly, to influence the accreditation decision of programs.
4. To keep confidential all matters relating to accreditation decisions unless; required by law to disclose information; directed to disclose by ABET with the consent of the institutions/programs involved; or unless the public is endangered by not disclosing. All those involved in ABET activities shall treat information coming to them in the course of their assignments as confidential, and shall not use such information as a means of making personal profit under any circumstances.
5. To make or issue either public or internal statements only in an objective and truthful manner.
- a. When speaking on behalf of ABET, volunteers and staff are only authorized to reiterate official positions, policies and procedures of ABET.
  - b. All those involved in ABET activities shall be objective and truthful in reports, statements, or testimony. They shall include all relevant and pertinent information in such reports, statements, or testimony and shall avoid any act tending to promote their own interest at the expense of the integrity of the process.
  - c. They shall issue no statements, criticisms, or arguments on accreditation matters which are inspired or paid for by an interested party, or parties, unless they preface their comments by identifying themselves, by disclosing the identities of the party or parties on whose behalf they are speaking, and by revealing the existence of any financial interest they may have in matters under discussion.
  - d. They shall not use statements containing a material misrepresentation of fact or omitting a material fact.
  - e. They shall admit their own errors when proven wrong and refrain from distorting or altering the facts to justify their mistakes or decisions.
6. To conduct themselves honorably, responsibly, ethically, and lawfully so as to enhance the reputation and usefulness of ABET.
- a. All those involved in accreditation activities shall refrain from any conduct that deceives the public.



according to Section Four C. or the Employee Operations and Procedures Manual. If the whistleblower believes that s/he is experiencing retaliation, s(he) should submit a Code violation complaint alleging such retaliation.

- f. Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting, internal controls, or auditing practice. The act of making allegations maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment if an aggrieved individual files a Code violation complaint.
  - g. Disclosure of reports of concerns to individuals not involved in the investigation will also be viewed as a serious disciplinary offense and may result in a Code violation finding.
8. To treat all persons involved in accreditation activities with fairness and justice.
- a. All ABET volunteers and staff shall treat fairly all persons involved in accreditation activities regardless of such factors as age and experience, economic status, education and training, employment history, gender, job level, physical and mental abilities, professional employment, race, nationality, ethnicity, religion, sexual orientation, and ways of learning and communicating.
9. To assist colleagues and co-workers in their professional development and to support them in following this Code of Conduct.
- a. ABET will provide broad dissemination of this Code of Conduct to its volunteers, staff, representative organizations, and other stakeholders impacted by accreditation.
  - b. ABET will provide training in the use and understanding of the Code of Conduct for all new volunteers and staff members.
  - c. All those involved in accreditation matters shall continue their professional development throughout their service with ABET and shall provide/participate in opportunities for the professional and ethical development of all stakeholders.
10. It is the policy of ABET to review all complaints received from any source, including students, against ABET that are related to compliance with ABET's Constitution, Bylaws, appropriate Rules of Procedure and APPM, and to resolve any such complaints in a timely, fair, and equitable manner. Section Four C. specifies the process for adjudicating alleged violations. Furthermore, it is the

policy of ABET to retain all documentation associated with any such complaint received for a period of not less than five years.

### **C. Code Violation Adjudication:**

The following policies and procedures provide for the prompt and fair adjudication of alleged violations of the Code of Conduct hereinafter referred to as a complaint. They shall be used to process Code of Conduct cases involving ABET volunteers. Alleged violations against ABET staff shall follow policies and procedures given in the Employee Operations and Procedures Manual. Whistleblower concerns regarding accounting matters are treated differently from Code of Conduct complaints. See Section Four B.7. Key definitions underlying the policies and procedures include:

- Cause of Dismissal, Suspension, or Censure. An ABET volunteer may be dismissed as a volunteer, suspended, or censured for cause. Cause shall mean conduct that is determined to be:
  - a material violation of the ABET Code of Conduct, or
  - a material violation of the ABET Constitution, Bylaws, or pertinent Rules of Procedures.
- Rights and Privileges. No person who has been dismissed as an ABET volunteer and no member who has been suspended shall (during the period of the suspension) be allowed any service as a program evaluator, team chair, or on Commissions, committees, councils, and the Boards of Directors or Delegates or on an Area Delegation, at all levels within ABET.

The process has two phases. Phase One involves submittal of a complaint and evaluation by the Audit Committee. Once a complaint has been vetted by the Audit Committee and judged worthy of further consideration, the second phase of the process begins. In the second phase, ABET is charged with determining whether there has been a material violation of the ABET Code of Conduct and, if so, what sanctions should be applied. Specifically, Phase Two is not a complainant proving a charge against a volunteer. Rather, ABET is determining the facts and making a judgment.

At all points in the process individuals cited in complaints will be recused unless providing input to an investigation, and those with potential conflicts of interest will also recuse themselves.

During all aspects of the process, strict confidentiality shall be maintained. Only the participants shall be aware of the proceedings and associated circumstances.

The detailed procedures and processes are:

#### **1. Phase One**

##### **a. Filing Complaints:**

- i. Complaints should be sent to the ABET Executive Director.
  - ii. Complaints may be filed by any individual or institution regarding Code of Conduct matters related to ABET activities.
  - iii. Complaints must be submitted in writing and signed or they will not be pursued.
  - iv. Complaints need to detail the specific aspects of the Code of Conduct that an ABET volunteer or volunteers are accused of violating. Furthermore, the complaint needs to detail the evidence that is being used to justify the complaint. The complainant should provide all known evidence supporting the alleged violation.
  - v. Complaints received with no evidence submitted will be dismissed.
  - vi. No conduct alleged to have occurred more than two years prior to the date on which the complaint is received shall be considered.
- b. Executive Director:
- i. All actions by the Executive Director will take place within 14 days of receipt of the complaint.
  - ii. The Executive Director will destroy all anonymous complaints.
  - iii. The Executive Director examines the complaint for the details required in Section Four C.1.a. If the complaint does not satisfy the submittal requirements, it will be returned with an indication of what is missing.
  - iv. If the complaint meets the requirements of Section Four C.1.a., the Executive Director will forward the complaint to the Audit Committee and indicate to the complainant that the complaint is being pursued.
- c. Audit Committee conducts its preliminary investigation:
- i. If the complaint is against a member of the Audit Committee, that individual will recuse themselves for all proceedings. Unless recused the Chair of the Audit Committee will preside over the preliminary investigation.
  - ii. Within 14 days of receipt of the complaint from the Executive Director, the Audit Committee shall determine, after a preliminary investigation, if there is a reasonable basis for believing:

- a) That the facts alleged in the complaint, if proven, would constitute a violation of the ABET Code of Conduct, and
  - b) that the facts alleged in the complaint can be proven.
- iii. If the Audit Committee determines that there is a reasonable basis for believing that C.1.c.ii.a or C.1.c.ii.b, or both are false, the case will be dismissed.
- iv. If the Audit Committee determines that there is reasonable basis for believing that both C.1.c.ii.a and C.1.c.ii.b are true, then the volunteer against whom the complaint is filed will be asked to respond to the issues raised in the complaint.
  - a) The volunteer(s) will receive the complete complaint against them, including the name of the individual(s) or institution(s) making the complaint.
  - b) The volunteer will have 21 days to respond to the complaint by providing written arguments clarifying or refuting charges in the complaint.
- v. Within 14 days after receiving the response of the volunteer, the Audit Committee will make a final recommendation on the complaint.
  - a) If the Audit committee determines that there is a reasonable basis for believing C.1.c.ii.a or C.1.c.ii.b, or both are false, the case will be dismissed.
  - b) If the Audit Committee determines that there is reasonable basis for believing that both C.1.c.ii.a and C.1.c.ii.b are true, then the complaint will enter Phase Two of the process.
  - c) If the volunteer does not respond, the case will enter Phase Two of the process.

## 2. Phase Two

During Phase Two the process is aimed at clarification of issues and making sure that all relevant input has been gathered from all parties. This may require repeated communication with all parties to the complaint. Failure of parties to respond, for whatever reasons, is not viewed as cause to terminate the process. At this point ABET is determining whether the Code of Conduct has been violated and is not adjudicating a complaint between/among volunteers.

Phase Two begins with a Finding and Recommendation Committee (FRC) composed of three recent ABET Past Presidents.

- a. Finding and Recommendation Committee (FRC):
  - i. The Executive Director will communicate with recent ABET Past Presidents available and eligible to serve. Eligibility requires that the individual have no conflict of interest and not be a paid member of ABET staff. The Executive Director will continue contacting ABET Past Presidents until three have been chosen for the FRC. It is noted that the FRC is a volunteer body and all participants are subject to the ABET Code of Conduct.
  - ii. The most recent Past President of the three chosen shall serve as Chair of the FRC.
  - iii. The FRC shall review the case and determine additional information that is necessary in order to render a finding. Any FRC member can request additional information. However, all communications shall be from the Committee Chair.
  - iv. In no case shall the FRC proceed without all three members present.
  - v. After the initial information gathering by the FRC the complainant and the charged volunteer will have access to all written information in the case. These parties can each supply one additional document summarizing their perspectives and positions on the case.
  - vi. The goal of the FRC is to complete data gathering, evaluation and recommendations within 45 days of being formed. However, the proceedings will be scheduled to provide reasonable accommodation for the written responses of all parties to the complaint.
  - vii. Within 14 days of the final responses in C.2.a.vi the FRC shall render a finding that:
    - a) No violation of the ABET Code of Conduct was proven and the case is dismissed, or
    - b) Specific violations of the ABET Code of Conduct have been proven.
  - viii. Any finding by the FRC shall require an affirmative vote of two of the three FRC members.
  - ix. If the FRC finds that there has been a material violation of the ABET Code of Conduct, it will also recommend specific Sanctions (Section Four C.2.b.).

b. Sanctions:

- i. Recommendations by the FRC as to sanctions, as defined below, shall be made on the basis of the severity of the wrongful conduct of the individual(s), the extent to which ABET's interests were prejudiced as a result of such conduct, and other factors that the FRC finds relevant in the circumstances of the particular case. The sanctions that may be imposed by the FRC are as follows:
  - a) Censure means an official reprimand. Such reprimand shall be in the form of a letter from the President on behalf of the Board of Directors.
  - b) Suspension means that all activities and roles as well as benefits and privileges associated with being an ABET volunteer, shall cease for the period of the suspension effective when the suspension begins. If the FRC makes a recommendation of suspension, a recommendation for suspension duration shall also be made.
  - c) Dismissal means that the individual shall no longer serve as an ABET volunteer nor be eligible to serve in the future.

c. Review:

- i. Within seven days of rendering a decision, the FRC will report its findings and recommended sanctions to the eligible (not recused) Officers of ABET. The report shall also contain, as an appendix, all correspondence with the parties to the complaint and the timeline of that correspondence.
- ii. The eligible Officers of ABET will review the process and procedures of the FRC.
  - a) Assuming the FRC has followed the correct procedures, the eligible officers will approve, by majority vote, the communication of the results to the parties to the complaint. Communications will be done by the Executive Director within seven days of approval of the FRC report, which must be within 14 days of receiving the report from the FRC.
  - b) If the Officers find that the FRC has not followed the approved procedures, the FRC will be requested to correct their procedures, reconsider their evaluation and recommendations accordingly, and resubmit their findings to the Officers of ABET.

d. Appeal:

The charged volunteer shall have the right to appeal the final action of the FRC to the full Board of Directors in writing within 30 days of receipt of the final action. Such appeal must include all relevant information as to the basis for the appeal. The appeal will be heard at the next regularly scheduled Board of Directors' meeting. Members of the FRC shall not participate in the appeals process. Provided that 2/3 of the eligible voting membership of the ABET Board of Directors agree, the sanction levied by the FRC may be confirmed or reduced. No other action may be taken by the Board of Directors on the appeal. Within seven days of the Board's decision, the Executive Director will communicate the decision of the Board to the parties to the complaint.

e. Notifications:

The names of dismissed and suspended volunteers shall be dropped from the volunteer rolls of ABET. For all sanctioned volunteers, the Executive Director will notify the volunteer's society liaison(s) of the sanction with a brief summary of the Code violation. For a suspended volunteer, the society liaison may request reinstatement at the conclusion of the suspension period.

## **SECTION FIVE: Appeal of Accreditation Action**

Appeals may be made only in response to not-to-accredit (NA) actions. Further, appeals may be based only upon the grounds that the not-to-accredit decision of the commission was inappropriate because of errors of fact or failure to conform to ABET's published criteria, policies, or procedures. Only conditions known to the commission at the time of the commission's decision will be considered by ABET in the cases of appeals.

If a commission's executive committee has already considered and denied a request from the program for a reconsideration or immediate revisit, the program may appeal the original not-to-accredit action.

A notice of appeal must be submitted electronically in writing by the chief executive officer of the program's institution to the ABET Executive Director within 30 business days of receiving notification of the not-to-accredit action. This submission must include the reasons why, with detailed evidence, the not-to-accredit decision of the responsible accreditation commission is inappropriate because of either errors of fact or failure of the respective accreditation commission to conform to ABET's published criteria, policies, or procedures.

Upon receipt of a notice of appeal, the ABET President will notify the ABET Board of Directors of the appeal and will select three or more members or past members of the Board of Directors, or members or past members of the Board of Delegates, to serve as an appeal committee. Current members of the ABET staff, the ABET Foundation staff, and of the ABET Foundation volunteer leadership are ineligible to serve on an appeal committee. At least one member of this committee will be experienced as a program evaluator and/or former member of the appropriate commission. At least one member of

this committee shall represent the Member Society with curricular responsibility for the program submitting the appeal, unless said program is under the curricular responsibility of an ABET commission. The ABET President shall designate one of the committee members as chair of the committee.

The appeal committee will be provided with all documentation that has been made available to the program during the different phases of the accreditation cycle, including the program's due process response, any supplemental information, and other materials submitted by the program or the commission.

The program is required to submit a response (normally one page) to the commission's executive summary previously sent to the program. The program may also submit other material it deems necessary to support its appeal. However, such materials must be confined to the status of the program at the time of the accreditation action of the commission and to information that was then available to the commission.

It is emphasized that improvements made to a program subsequent to the annual meeting of the commission will not be considered by the appeal committee.

The respective commission, through its executive committee, may submit written materials beyond the Final Statement to the Institution and the Executive Summary for clarification of its position. Such materials must be provided to the program and appeal committee at least 60 business days prior to the date of the committee's meeting. Any rebuttal by the program must be submitted to the committee at least 30 business days prior to the committee meeting.

The appeal committee will meet and, on behalf of the ABET Board of Directors, consider only the written materials submitted by the program and the respective commission in arriving at its determination. Representatives from the institution, the program, and the commission may not attend this meeting. The appeal committee's decision is limited to the options available to the commission responsible for the not-to-accredit determination. The appeal committee's findings and its decision will be reported to the ABET Board of Directors in writing by the appeal committee chair. The decision rendered by the appeal committee is the final decision of ABET.

The institution, the program, and the Commission will be notified in writing of this decision, and the basis for the decision, by the Executive Director within 15 business days of the final decision.

## SECTION SIX: Board of Directors' Officers

### A. Expectations:

#### 1. General Expectations:

ABET expects that the President, President-Elect, Past President, Treasurer, and Secretary will:

Act in the best interests of ABET;

- a. Attend up to four ABET Board of Directors' meetings per year and additional leadership, council, and committee meetings as required;
- b. Attend Commission and Commission Executive Committees as required;
- c. Be informed about the affairs of ABET by reading all informational material provided;
- d. Be informed about issues facing ABET and provide input to the strategic planning process;
- e. Recommend to the Board of Directors such actions as deemed to be in the best interest of ABET;
- f. Communicate Board of Directors' directives to the Board of Delegates, Area Delegations, the public, member societies, and institutions, as appropriate;
- g. As appropriate, support the work of the Executive Review Team as described in Section Thirteen FP.11.

#### 2. Qualities:

In order to effectively perform the duties and responsibilities of an ABET officer, ABET expects that an officer will:

- a. Possess good interpersonal skills, be able to conduct Board activities appropriate to the officer position in an objective and professional manner, and work effectively on a team of individuals possessing diverse experience, perspectives, and personalities;
- b. Handle confidential information in a prudent manner; and abide by the ABET Code of Conduct, and the Confidentiality and Conflict of Interest Policies;

- c. Possess good oral communication skills, and be able to present points of view and complex issues in a public setting in a concise, informative, and effective manner;
- d. Be prompt in discharge of duties and tasks and be conscientious in meeting established deadlines;
- e. Make reasonable inquiry when the need to do so is indicated, and objectively use the information received.

3. Qualifications:

- i. Proven leadership skills.
- ii. Integrity of action in business, association, and personal activity.
- iii. Proven ability to place the interests of ABET above personal concerns.
- iv. Proven ability to see the big picture, focus on strategic direction, and not try to micromanage the association.
- v. Proven willingness and ability to express opinion and to engage constructively in discussion and debate.

**B. Positions:**

1. President

a. Duties and Responsibilities:

- i. The President is the chief elected officer of ABET. The President chairs all meetings of the ABET Board Directors and serves as an ex-officio, non-voting member of all other ABET committees, except for the Board Director Nominating Committee.
- ii. The President is responsible for the conduct of the business of the Board of Directors as it fulfills its responsibilities delineated in the ABET Constitution Article Six A and B.
- iii. The President oversees that the Constitution, the Bylaws, and the Board of Directors' Rules of Procedure are observed by the officers and members of the Board of Directors and that directives of the Board of Directors are executed. The President is responsible for appointing committee and council members when their posts become vacant during his/her tenure in office or when new committees or task groups are created at the direction of the Board of Directors.

- iv. The President selects all open Board of Directors committee positions during their term.
- v. The President chairs the Executive Review Team, see Section Thirteen FP.11.
- vi. All decision-making authority regarding the supervision, promotion, and compensation of the Executive Director and CEO shall rest solely with the President with the assistance of the Executive Review Team (“ERT”) and with input from the Board of Directors. Decision-making authority regarding the termination of the Executive Director shall reside with the Executive Review Team (“ERT”) with assistance of the Board of Directors. (←Bylaws Section Nine E.)

b. Eligibility:

- i. The President serves for one year and is not eligible for re-election.

2. President-Elect

a. Duties and Responsibilities:

- i. The President-Elect ascends to the office of President upon completion of the current term or in the event that the President is unable to perform the duties of the President.
- ii. The President-Elect chairs the ABET Board of Delegates as a non-voting member.
- iii. The President-Elect attends Finance Committee meetings as a non-voting member.
- iv. The President-Elect serves on the Executive Review Team.
- v. The President-Elect also provides general assistance to the President, as assigned.

b. Eligibility:

- i. Past or present Directors or Board Delegates are eligible to be nominated as President-Elect.
- ii. Members of the Nominating Committee are ineligible for selection as Candidates for President-Elect.



Board of Directors and the Board of Delegates of any ABET Member or Associate Member Society in arrears as provided in the Bylaws.

- iv. The Treasurer shall authorize ABET's banking and investment relationships within established financial policies and guidelines.
- v. The Treasurer is not a member of the Audit Committee; however, the Treasurer, the Executive Director, and the Chief Financial Officer shall support the audit process, and provide policies, operational procedures, data and other information as may be requested by the auditors and the Audit Committee.
- vi. The Treasurer is consulted by, and provides input to, the Executive Review Team.

b. Eligibility:

- i. Past or present members of Board of Directors or Board of Delegates within the last 3 years are eligible to be nominated as Treasurer. In accordance with the Bylaws, Associate Member Delegates, and Public Directors are not eligible to serve as Treasurer. Members of the Audit Committee are not eligible to serve concurrently as Treasurer. Members of the Nominating Committee are ineligible for selection as candidates for Treasurer.
- ii. The candidate must have an understanding of financial management for organizations with prior financial experience relative to budgets and be financially literate. Experience on the ABET Finance Committee within the last three years prior to election is required.
- iii. The Treasurer position is for a two-year term. The Treasurer is eligible for immediate re-election to the same office at the expiration of the current term, and is limited to serving three complete, consecutive terms. Upon assumption of office, if the candidate came from the Board of Delegates, the Treasurer will no longer represent his/her society on the Board of Delegates.

5. Secretary

a. Duties and Responsibilities:

- i. The Secretary shall have the responsibility for the records of ABET and assists the President with meeting protocol as parliamentarian. The Secretary serves as a voting member of the ABET Board of Directors and is accountable to the ABET Board of Directors.

- ii. The Secretary shall attend all meetings of the Board of Directors. S/he shall be responsible for the preparation of the minutes of the meetings and recommended approval to the ABET Board of Directors. The Secretary will provide notice of meetings of the Board when such notice is required and determine if there is a quorum to conduct ABET business. He/she will ensure that accurate and sufficient documentation exists to meet legal requirements.
  - iii. The Secretary will provide guidance to the ABET Board of Directors on ABET governance and operational documents. He/she will ensure that governing documents are in compliance with all applicable laws, rules, and regulations.
  - iv. As noted in the Bylaws, Section Nine, the Executive Director performs the functions of Assistant Secretary, and is custodian of the records for the Board of Directors, including the minutes.
- b. Eligibility:
- i. Past or present Directors or Board Delegates are eligible to be nominated as Secretary. In accordance with the Bylaws, Associate Member Delegates, Public Directors, and At-Large Directors are not eligible to serve as Secretary. Members of the Nominating Committee are ineligible for selection as candidates for Secretary.
  - ii. The candidate must have an understanding of good governance principles for organizations, working knowledge of the ABET Constitution, Bylaws, the various Rules of Procedure, and the processes under which these are formed, as well as a working knowledge of ABET and its purposes, structure and goals.
  - iii. The candidate will be knowledgeable in the use and application of ABET approved parliamentary procedures.
  - iv. The Secretary position is for a one-year term. The Secretary is eligible for immediate re-election to the same office at the expiration of the current term, and is limited to serving two complete, consecutive terms. Upon assumption of office, if the candidate came from the Board of Delegates, the Secretary will no longer represent his/her society on the Board of Delegates.

## **SECTION SEVEN: Board of Directors**

### **A. Duties and Responsibilities:**

The primary duty of an ABET Board Director is to serve as a member of the ABET Board of Directors, the governing body of ABET. In performance of this function, directors are expected to deliberate and act during a Committee of the Whole by consensus (usually a majority vote) during a properly called and noticed meeting with a quorum present. There are four types of Directors: Five Officers as previously defined, two at-Large Directors, one each representing the views of Higher education and industry and one Public Director, all elected by the Board of Delegates and four Area Directors each elected by each of the four Area Delegations.

The ABET Board of Directors establishes the strategic direction for the organization, and oversees the implementation of ABET's Strategic Plan. It approves changes to the ABET Constitution, Bylaws and Board of Director Rules of Procedure. It adopts policies and approves programs and initiatives to support its purposes. The Board of Directors reviews accreditation criteria for appropriateness and decides appeals of accreditation decisions. It also approves the annual budget and fees, the assessment formula, and financial policies.

### **B. Expectations:**

ABET expects that all members of the ABET Board of Directors will:

1. Act in the best interests of ABET;
2. Attend up to four ABET Board of Directors meetings per year, and additional meetings as may be required by their position;
3. Be informed about the affairs of ABET and by reading all informational material provided with board meeting agendas and relevant ABET literature;
4. Be informed about issues facing ABET and provide input to the strategic planning process;
5. Serve on committees and task groups as requested by the ABET President.
6. Board of Directors members are required to participate in New Board Member Orientation prior to assuming a seat on the Board of Directors.

### **C. Qualities:**

In order to effectively perform the duties and responsibilities of an ABET Director, ABET expects that all directors will:

1. Possess good listening skills;
2. Make reasonable inquiry when the need to do so is indicated, and objectively use the information received;
3. Possess good interpersonal skills, conduct Board activities in an objective and professional manner, and work effectively on a team of individuals possessing diverse experience, perspectives, and personalities;
4. Handle confidential information in a prudent manner; and abide by the ABET Code of Conduct and Conflict of Interest Policy;
5. Possess good oral communication skills; and be able to present points of view in a public setting in a concise and effective manner;
6. Be prompt in discharge of duties and tasks and be conscientious in meeting established deadlines.

**D. Qualifications:**

1. Area Directors are elected by their respective Area Delegations. The individual must have substantial experience in a disciplinary area served by ABET and a demonstrated interest in an educational program of interest to ABET within their respective area of applied and natural sciences, computing, engineering, or engineering technology.
2. At-Large Directors are elected by the Board of Delegates. They are individuals of trust, responsibility and recognition within the communities of Higher Education and Industry/Government, respectively.
3. The Public Director is elected by the ABET Board of Delegates. The individual shall be a person of trust and responsibility in his or her community and not affiliated by training or practice with the disciplines of interest to ABET. The Public Director shall not hold membership in any of the societies that are Members or Associate Members of ABET.
4. All directors must have access to email and the Internet.
5. While not required, experience as an evaluator or commissioner of an accreditation body is an asset for any director.

## **SECTION EIGHT: Academic Advisory Council**

### **A. Purpose:**

Reporting to the Board of Directors, the Academic Advisory Council (AAC) shall provide ABET Directors, Board Delegates and Area Delegates with access to academic viewpoints on issues of accreditation; applied and natural sciences, computing, engineering, and engineering technology education; matters affecting the relevant professions; reaction to proposed ABET programs, procedures, and policies as they relate to the education sector of ABET constituencies; while also providing opportunities for enhancing communication between ABET and the academic community.[Bylaws, Section Eleven E.1.]

### **B. Membership:**

The AAC shall be composed of approximately twenty (20) academic leaders associated with applied and natural sciences, computing, engineering, and engineering technology programs appointed to serve in this capacity by the President. One member of the AAC shall be appointed to serve as the chair by the President of ABET. [Bylaws, Section Eleven E.3.]

### **C. Focus:**

1. The AAC shall develop and implement mechanisms to stimulate the involvement of diverse elements of the academic community in the work of ABET through increased participation as Directors, Board Delegates, Area Delegates, members of the Accreditation Commissions, Program Evaluators, committee members, and attendees of ABET professional development events. [Bylaws, Section Eleven E.2.]
2. The Council shall make recommendations to the Board of Directors, as appropriate, on issues requiring Board of Directors' consideration.
3. The Council shall make recommendations to the Board of Delegates, as appropriate, on issues requiring the Board of Delegates' consideration.

### **D. Voting:**

Each member of the Council shall have one vote. Recommendations made to the Board of Directors shall require a majority vote of the Council.

## **SECTION NINE: Global Council**

### **A. Purpose:**

Reporting to the Board of Directors, the Global Council (GC) shall formulate, and recommend policies and procedures regarding global activities of ABET to the Board of Directors for approval. The GC is responsible for implementation of those global policies set by the Board of Directors for which no other entity within ABET is responsible. The GC is not responsible for accreditation, for consultation to individual programs or institutions, for training of volunteers, or for educational workshops provided by ABET staff. [Bylaws, Section Eleven C.1.]

### **B. Membership:**

1. The GC shall be composed of at least nine (9) members, the majority of whom shall be Directors and Board Delegates and at least one shall be a Public or At-Large Director. All GC members are appointed by the President. Each appointment shall be for three-year terms. Appointments shall provide for staggered terms to ensure continuity. [Bylaws, Section Eleven C.5.]
2. The GC shall have a Chair recommended by the President for appointment by the Board of Directors for a one-year term, renewable by recommendation of the President and approval by the Board of Directors for up to five consecutive terms. [Bylaws, Section Eleven C.4.]

### **C. Focus:**

1. The GC is responsible for recommending, to the Board of Directors for approval, participation in new Mutual Recognition Agreements (MRAs) and Memoranda of Understanding (MOUs) with other accreditation or governmental agencies. The GC shall perform other duties, regarding global activities, specifically assigned by the Board of Directors. [Bylaws, Section Eleven C.2.]
2. The GC is responsible for reviewing and recommending to the signatories of MRAs operating policies and procedures regarding the implementation of MRAs, as well as admission of new signatories. Additionally, GC is responsible for implementation of MOUs and consultancies to other accreditation or governmental agencies. [Bylaws, Section Eleven C.3.]
3. Additionally, the GC shall advise the Board of Directors on matters related to ABET's global engagement.
4. The GC shall make recommendations to the Board of Delegates, as appropriate, on matters related to ABET's global engagement.

#### **D. Voting:**

Each member of the Council shall have one vote. Recommendations made to the Board of Directors shall require a majority vote of the Council.

### **SECTION TEN: Industry Advisory Council**

#### **A. Purpose:**

1. Reporting to the Board of Directors, the Industry Advisory Council (IAC) shall provide ABET Directors, Board of Delegates and Area Delegates with access to industrial viewpoints on issues of accreditation, applied and natural sciences, computing, engineering, and engineering technology education, and matters affecting the relevant professions; reactions to proposed ABET programs and policies as they relate to industry and government, while bringing those programs directly to the attention of leaders in industry. [Bylaws, Section Eleven D.1.]
2. More specifically, the IAC shall be proactive in identifying, and communicating, issues and trends it believes are relevant to ABET policymakers, and will also communicate, as appropriate, with leaders of industry, government and program industry advisory councils.

#### **B. Membership:**

The IAC shall be composed of approximately twenty (20) applied and natural sciences, computing, engineering, or engineering technology leaders of industry or government invited to serve by the President. One member shall be appointed as Chair by the President. [Bylaws, Section Eleven D.3.]

#### **C. Focus:**

1. The IAC shall develop methods to stimulate the involvement of industrial firms in the work of ABET through increased participation as Directors, Board Delegates, Area Delegates, members of the Accreditation Commissions, Program Evaluators, committee members and conferees. [Bylaws, Section Eleven D.2.]
2. The Council shall make recommendations to the Board of Directors as appropriate, on issues requiring Board of Directors' consideration.
3. The Council shall make recommendations to the Board of Delegates as appropriate, on issues requiring the Board of Delegates' consideration.

#### **D. Voting:**

Each member of the Council shall have one vote. Recommendations made to the Board of Directors shall require a majority of the Council.

## **SECTION ELEVEN: Conduct of Board of Directors, Board of Directors' Committee, and Board of Directors' Council Meetings**

### **A. Meetings:**

Conduct of meetings is meant in these Rules to be inclusive of those that take place in-person or by teleconference, in accordance with the current laws of the state of New York. Any voting by ballot that may be necessitated by an action that occurs during a meeting conducted by teleconference may also be allowed in accordance with the current laws of the state of New York. Meetings shall be conducted according to Keesey's "Modern Parliamentary Procedure".

### **B. Schedule:**

1. **Board of Directors:** The Board of Directors shall meet in conjunction with the two Board of Delegates meetings held annually. The Board may also meet in-person or by teleconference between each Board of Delegates meeting.
2. **Board of Directors' Committees:** Committees of the Board of Directors shall convene at least once each year. Each Committee Chair shall provide an annual report at the fall Board of Directors meeting, and interim reports as needed. These reports shall also be given to the Board of Delegates.
3. **Board of Director's Councils:** Councils of the Board of Directors shall convene at least once each year. Each Council Chair shall provide an annual report at the fall Board of Directors meeting, and interim reports as needed.

### **C. Observers:**

1. ABET Directors, Board and Area Delegates, and Member Society Education Liaisons and staff, as well as members of the general public and outside organizations, are permitted to observe ABET working meetings, including committee and council meetings, of the Board of Directors, Board of Delegates, Area Delegations, and Commissions (except executive sessions), on a space-available basis with those invited for a particular item given priority.
2. Requests to attend any of these meetings must be received by the ABET Executive Director no later than 14 days before the scheduled time for the meeting.
3. Observers are accorded the privilege of the floor at the discretion of the meeting chair.
4. If any meeting is called into executive session, observers will be required to leave that portion of the meeting, at the discretion of the meeting chair.
5. A signed confidentiality statement will be required of all observers.

#### **D. Expenses:**

1. Reasonable and proper expenses incurred on authorized ABET business will be reimbursed to the traveler. In accordance with Financial Policies 14 and 15.
2. Expenses incurred by Directors to attend meetings of the Board of Directors are reimbursable by ABET.

#### **E. Minutes:**

1. Board of Directors: The Secretary of ABET shall be responsible for the preparation of minutes of the Board of Directors' meetings, assisted as appropriate by the office of the Executive Director.
2. Board of Directors' Committees: The Chair of each Board of Directors' Committee shall be responsible for the minutes of Committee meetings.
3. Board of Director's Councils: The Chair of each Board of Director's Council shall be responsible for the minutes of Council meetings.
4. Minutes should include the date and location of the meeting, the names of attendees, the motions made, votes taken and assigned action items.
5. The Executive Director is custodian of the records for the Board of Directors and its Councils and Committees, including the minutes.

#### **F. Executive Sessions**

1. Business undertaken in executive session is confidential. Participants in executive sessions may be disciplined for violating this confidentiality.
2. Executive session may be entered upon approval of a formal motion "To Go into Executive Session" or by arriving at an item on the approved agenda that was noted as to be taken up in executive session. A motion to go into executive session should include the purpose of the executive session without divulging anything that would be confidential.
3. When going into executive session, the meeting chair should announce who is invited to participate. Normally this will include all members of the body, and others whose presence is important to the session. Those who are not members of the body may be invited to attend all or part of the executive session.
4. When the matter necessitating the executive session has concluded, open session should resume via
  - a. a formal motion to exit executive session, or

- b. a statement from the chair that the matter has concluded and, if there is no objection, open session will resume.
5. Open session meetings should adjourn in open session. If an executive session is the last item on an open meeting's agenda, executive session should be exited prior to adjournment.
6. Minutes of executive sessions shall report only the actions approved in executive session. Approved motions shall be recorded only in their final form, without any intervening amendments.
7. Actions of the Board of Directors that are approved in executive session must be reported in open session and will be recorded in the minutes of that open session.

## **SECTION TWELVE: Records Retention**

### **A. Policy:**

It is the policy of ABET to retain records in accordance with federal and state requirements and good business practice.

### **B. Accreditation Records:**

1. Institutional and programmatic self-studies, visit reports and final statement to the institution for the most recent visit to the program are kept on-site at ABET Headquarters.
2. Visit reports and final statements for the previous six (6) years are kept on-site. Self-studies, including documentation, are filed off-site.
3. Self-study reports are retained for ten (10) years.
4. Visit reports and final statements older than six (6) years are retained indefinitely.
5. A copy of each set of Accreditation Criteria is retained indefinitely.

### **C. Personnel Records:**

1. Separated employee files (ex-employees) including payroll and employment tax records are retained for seven years from date of separation.
2. Employment applications are retained for three years.
3. Benefit plans and pension plans are retained indefinitely.

#### **D. Corporate Records:**

1. Board minutes, articles of incorporation, bylaws, business licenses, annual reports, major contracts, including cooperative agreements with other organizations, grants, leases, and trademarks, are retained indefinitely.
2. Petitions for admission to ABET submitted by professional or technical societies are kept indefinitely.
3. Minor contracts are retained for the life of the agreement plus four years.
4. Insurance policies are retained for the life of the policy plus three years.
5. Construction records and leasehold improvement records are retained indefinitely.
6. Lease payment records are retained for the life of the lease plus four years.

#### **E. Financial Records:**

1. Audit reports, chart of accounts, depreciation schedules, annual financial statements, fixed asset purchases records, general ledgers, and tax returns are retained indefinitely.
2. Accounts payable, accounts receivable, expense records, inventory records, inventory records, loan payment schedules, purchase orders, and sales records are retained for seven years.
3. Bank statements, cancelled checks, loan records (from date of last payment), and electronic payment records are retained for seven years.

#### **F. Record Format:**

1. Records may be retained as a hardcopy or in any widely recognized electronic format.
2. ABET shall internally maintain all tools necessary to open any electronic files that it retains.
3. ABET may transfer files, that it is required to retain, to a new electronic format when it chooses to abandon an old file format.

## **SECTION THIRTEEN: Financial Policies**

### FP.01 Budget Preparation

An annual budget shall be prepared by the Finance Committee (as defined in the Bylaws Section Ten A.1.) and submitted to the Board of Delegates, who shall review and forward with comment to the Board of Directors for approval as the formal annual budget which controls the finances of ABET. The ABET fiscal year begins on October 1 and extends through September 30 of the following calendar year.

#### FP.02 Budget Review

The Executive Director shall direct the ABET staff to prepare monthly statements showing actual income and expenses versus the approved budget. These monthly statements shall be circulated to the Treasurer. Variances in income and expenses, which are judged to be significant by the Executive Director or Treasurer, shall be reported to the Finance Committee and Board of Directors at their next meeting. The report shall be accompanied by an explanatory memorandum, prepared by the ABET staff, noting the nature of the variance and the plan to address the budgetary impact of that variance.

#### FP.03 Budget Corrections

Any necessary corrections to the approved annual budget are first to be presented to the Finance Committee for approval, then to the Board of Delegates for their comment, and, finally, to the Board of Directors for approval.

#### FP.04 Projected Budget

A five-year projected budget will be maintained and corrected as necessary. This will be the basis for planning future assessments, changes in fees, and other fiscal adjustments, in order to maintain a fiscally sound organization.

#### FP.05 Budget Format

The annual budget shall be prepared in a chart of accounts by cost center identified with the major activities of ABET, and identifying all significant items of income and expense.

#### FP.06 Accounting Procedures

ABET will use an activity-based costing model that breaks ABET's finances into cost centers listed below.

#### **A. Direct Cost Centers:**

1. Governance: Activities to be paid for by members and associate members which include all Board and committee expenses including meetings, the ABET Annual Report, administration of accords, mutual recognition agreements, memoranda of understanding, membership dues and Executive staff compensation and benefits. All global outreach and executive office activities conducted for the purpose of

promoting ABET accreditation outside of the US shall be a direct expense of non-US accreditation.

2. Accreditation: Activities to be paid for by institutions which include direct accreditation visit expenses, report costs, accreditation meeting costs, team training, Accreditation staff salaries and benefits.
3. Special Projects: Generally one time activities which include all direct costs for completing the project and indirect costs when appropriate. A decision will be made at initiation of the project as to which cost center will be responsible for the expense.

#### **B. Indirect Cost Centers (Overhead):**

1. Professional Services: Intended to be revenue neutral but expenses in excess of revenue will be the shared responsibility of members and the institutions. This cost center's activities include conducting workshops and symposia, the annual meeting, production costs for newsletters, advertising, other strategic communications expenses and wages and benefits for Professional Services Staff
2. Planning and Operations: Activities to be a shared responsibility of members and institutions which include all professional and contracted services (legal, audit and computer support), office expenses (telephone, mailing, equipment leases, rent, utilities, insurance, financial expenses), and wages and benefits for the Planning and Operations staff

The expenses in excess of revenue in two of the centers, Professional Services and Planning and Operations, will be charged as overhead to the other centers in proportion to the share of those other centers' total direct expenses to total expenses for the respective overhead sharing cost centers.

Accounting will be by the accrual method in accordance with GAAP (Generally Accepted Accounting Principles).

#### **FP.07 Annual Audit**

An annual audit, conducted under the direction of the Audit Committee, shall be carried out by a certified public accountant retained by the ABET Board of Directors. The Treasurer and ABET staff will respond to the audit report as appropriate. Periodically, a management letter report will be required.

#### **FP.08 Financial Reports**

Financial reports shall be made at monthly intervals by the Chief Financial Officer to the Treasurer and the Officers of ABET showing for each line item, the budget allocation, current status, projected status, authorized changes modified budget allocation, final

projected status, deviations from the approved amounts, and documented explanations for changes.

## FP.09 Deposits

### A. Purpose

This Investment Policy Statement (IPS) establishes ABET's objectives and guidelines for the investment of its liquid assets. The liquid assets are normally the result of accumulated surpluses in ABET's financial operations as well as revenues collected in advance of delivering services and payment of the associated expenses. ABET's accumulated surpluses (Reserves) are maintained to facilitate the continuing operation of activities in the event of unusual financial conditions, or to address unbudgeted and extraordinary expenses. ABET's policy specifies that total Reserves should be maintained at about 40% of annual budgeted expenses.

### B. Investment Objectives

1. Liquid asset funds will be separated into 2 accounts: one for Short Term needs, and one for Long Term investments.
2. The objective of the Short Term Fund is preservation of capital and liquidity. Its risk tolerance shall be considered "Very Conservative." Short term funds are to be invested in cash equivalents and fixed income securities with maturity horizons of three years or less, per the allowable asset classes shown below.
3. The objective of the Long Term Fund is capital appreciation, with a time horizon of 1 to 10 years. Its risk tolerance shall be considered "Moderate." Assets in this fund are to be invested per the allowable list shown below.

### C. Roles and Responsibilities

1. The Finance Committee is authorized by the Board to retain an Investment Advisor to oversee the management of the reserve funds. The Finance Committee shall review the performance of the funds invested by the investment advisor against the expected performance metrics outlined herein, and shall provide the Board of Directors with a summary report annually. The Finance Committee may authorize investments in specific index funds which track the indexes referenced in Section H. of this financial policy without counsel from an Investment Advisor. Such index funds shall be listed in Appendix A, attached hereto, which may be amended on recommendation from the Finance Committee by the Board of Directors.
2. It is the responsibility of the Finance Committee to review and propose changes to this IPS, with final approval from the Board of Directors. The authority for investment discretion and decisions within the guidelines of this policy lies with

the Executive Director and the Chief Finance Officer of ABET, in consultation with the Finance Committee.

3. The Finance Committee shall be provided with monthly and quarterly statements which will include the transactions and performance of the short and long term funds. Where applicable, the Investment Advisor shall also provide recommendations for any changes to the portfolios. The ABET Treasurer shall present an investment performance report at each ABET Board of Directors meeting.

#### **D. Allowable Investments**

1. Short Term Fund
  - a. Money Market Funds
  - b. Interest bearing accounts in commercial banks insured by the FDIC
  - c. CDs insured by the FDIC
  - d. Treasury Bills
  - e. U.S. Government and Agency Securities
  - f. Short term bond funds with daily liquidity, and an overall average credit quality rating by Standard and Poor's of "A" or better, limited to 20% of short term fund
2. Long Term Fund- Same as above, plus the following:
  - a. All types of no load Mutual Funds, including REITS
  - b. Exchange Traded Funds, except those using leverage
  - c. Structured Products (Principal Protected Notes only)
  - d. Individual Corporate Notes and Bonds, investment grade or better

#### **E. Investment Limits for Short and Long Term Fund**

The market values of cash and securities, as invested in the Short Term Fund, shall not be allowed to fall below the equivalent of 60 days of ABET operating expenses. The market value of the securities, as invested in the Long Term Fund, at the beginning of any fiscal year plus any additional investment made to that fund during that fiscal year shall not exceed the Total Equity less Total Fixed Assets as reported in the ABET Balance Sheet at the beginning of that fiscal year.

## **F. Prohibited Investments and Transactions**

1. Individual stocks
2. Commodities and Futures Contracts
3. Private Placements
4. Individual Options
5. Short selling
6. Margin Transactions
7. Any investment options offered by the Investment Advisor or any of its affiliates.

## **G. Diversification Policy**

Diversification across and within asset classes is the primary means by which the Finance Committee expects the Portfolio to avoid undue risk of large losses over long time periods. ABET investments in mutual funds must be managed in accordance with the following guidelines:

1. With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
2. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
3. The overall average credit quality of the fixed income portion of the Long Term Fund shall be investment grade or better (Standard & Poor's BBB or Moody's Baa). This allows for some portion of the fixed income mutual funds or ETFs to be high yield.

## **H. Benchmarks and Target Rates of Return**

The Funds shall have a target rate of return, net of fees, equal to the following benchmarks:

1. Short Term Fund – per market conditions
2. Long Term Fund – Blend of 40% S&P 500 Index, 20% Russell 2000 Index, 10% MSCI ACWI EX USA and 30% Barclays Aggregate Bond Index

Monthly statements shall be delivered by the Advisor to ABET Staff. Actual performance of funds under management of an Investment Advisor measured against these metrics shall be reported quarterly by the Investment Advisor to ABET staff, reported quarterly by ABET staff to the Finance Committee and reviewed annually by the Finance Committee, with the objective of exceeding the above performance metrics over a three year horizon, without increasing investment risk beyond the guidelines provided herein.

## Asset Allocation Guidelines

Long Term Fund:

<b>Asset Class</b>	<b>Minimum, %</b>	<b>Maximum, %</b>
Cash & Equivalents	0	15
Fixed Income	20	50
Domestic* Large Cap	25	50
Domestic* Mid/Small	10	25
International/Emerging	5	30
Real Estate	0	10
Alternatives	0	6

\*Value and Growth funds. At no time shall either value or growth be greater than 2/3 of any asset class. This is a prescription for a diversified investment fund.

## FP.10 Withdrawals

All checks or written authorizations for withdrawal must have the signatures two of the following: the Executive Director, the Chief Financial Officer, and the Chief Accreditation Officer. In emergencies, one signature is permissible but must be approved electronically within five (5) days by another of the authorized signatories. Facsimile signatures are authorized if the accounting controls are deemed appropriate by the audit firm.

## FP.11 Executive Review Team

An Executive Review Team will be formed to support the President in the execution of Bylaw 9.E. The Executive Review Team, ERT, shall consist of the President, President-Elect and Past-President. The ERT shall be supported by the Treasurer, Board of Directors and staff as requested.

Prior to the beginning of the fiscal year, the President shall develop the annual goals for the Executive Director. Prior to the final meeting of the Board of Directors, the President shall gather input from multiple sources, including the ERT and Board of Directors in

order to complete an evaluation of the annual performance of the Executive Director. The President in consultation with the ERT and the Treasurer shall recommend the compensation for the Executive Director for the next fiscal year. The Executive Director compensation recommendation will be contained within the annual budget which is subject to final approval by the Board of Directors.

#### FP.12 Authorization of Expenditures

All expenditures of any nature other than payroll and taxes, whether for purchases, contracted services, rent, utilities, travel, or miscellaneous expenses, shall be made only on the basis of written authorization showing the estimated or exact amount signed by the Chief Financial Officer who shall certify that such expenditure is within the budget. Should any expenditure exceed Ten Thousand Dollars (\$10,000), the authorization shall also be signed by the Executive Director. If such requested expenditure would exceed the annual budget, the Executive Director shall not approve it but shall immediately notify the Treasurer who shall take the appropriate action.

#### FP.13 Time Sheets

As necessary, when required for federal or state reporting purposes, staff members shall file a time sheet stating hours worked so that accountability and cost center control of ABET's various activities may be maintained, including a record of time.

#### FP.14 Reimbursement for Travel and Travel Expenses

All reasonable and proper expenses incurred on authorized ABET business will be reimbursed to the traveler. Travel on ABET's behalf, whether by ABET volunteers or ABET staff, requires the prior approval of the appointing ABET Officer, Committee Chair, or the Executive Director, as appropriate. All meetings must receive prior written authorization. When the nature of a meeting suggests the Executive Director's spouse or partner should attend, travel costs incurred may be reimbursed at the discretion of the ABET President. The Meeting Authorization Form shall list all individuals who will attend and an estimated budget for meeting and travel expenses. All personal expense requests shall be documented, either electronically or in hardcopy, with receipts, plane tickets, car rental agreements, invoices, hotel bills, or similar documents in accordance with IRS regulations. Lack of such documentation may cause ABET to be unable to honor those expense requests. ABET will maintain a procedures manual for travel and travel related expenses.

#### FP.15 Officers' Attendance at Board Meetings and ABET Events

Members of the Board of Directors and those Commission and Committee Chairs whose presence is requested at the Board of Directors, Board of Delegates or Area Delegation meetings of ABET, shall not be required to pay the Board meeting registration fees, and both their hotel and travel expenses may be reimbursed by ABET. When the nature of the meeting suggests the President's spouse should attend, travel costs incurred may be

reimbursed. Those Directors, and Commission or Committee members of ABET asked to speak or serve on ABET's behalf at the ABET events shall not be required to pay for registration at that meeting and their hotel and travel expenses may be reimbursed by ABET.

#### FP.16 Fund Balance Goal

ABET shall set a goal for its total reserve fund balance to be a minimum of 40% of the total expenses as reported in the annual statement of support, revenue and expenses.

Reserves are defined as the total unrestricted net assets minus the net investment in the fixed assets other than real estate. The calculation of the value of real estate shall be evaluated according to the Generally Accepted Accounting Principles (GAAP) and reviewed by the auditors.

Further, ABET shall maintain at all times a balance of cash plus short-term investments equal to at least 50% of the total expenses as reported in the annual statement of support, revenue and expenses.

#### FP.17 Financial Structure

##### **A. Financial Model**

ABET will use an activity-based costing model that breaks ABET's finances into the cost centers listed below.

##### **1. Direct Cost Centers:**

- a. Governance:** Activities to be paid for by members and associate members.
- b. Accreditation:** Activities to be paid for by Institutions.
- c. Special Projects:** Generally one time activities. A decision will be made at initiation of the project as to which cost center will be responsible for the expense.

##### **2. Indirect Cost Centers (Overhead):**

- a. Professional Services:** Intended to be revenue neutral but expenses in excess of revenue will be the shared responsibility of members and the institutions.
- b. Planning and Operations:** Activities to be a shared responsibility of members and institutions.

The expenses in excess of revenue in two of the centers, Professional Services and Planning and Operations, will be charged as overhead to the Accreditation and

Governance centers in proportion to the share of those other centers' total direct expenses to total expenses.

## **B. GAAP Conformance**

Except for the following, accounting will be by the accrual method in accordance with GAAP (Generally Accepted Accounting Principles) for purposes of the Financial Model calculations:

1. The cost of travel and expenses for non-U.S. visits, otherwise booked as accounts receivable in accordance with GAAP, shall be added both to expenses and to revenues for accreditation activities.
2. The in-kind expense and revenues booked for the volunteer activities in accordance with GAAP shall be eliminated from the accreditation activities.

## **C. Assessment Models**

The Assessment model assigns financial responsibility for direct and overhead expenses for Accreditation to the institutions and Governance to the members.

1. Member Assessments:
  - a. Member and Associate Member assessments will pay for expenses associated with Governance a proportionate share of the overhead, and may include a surcharge equal to a percentage no greater than 10% of Governance expenses to build reserves. The finance committee will calculate this each year. Proposals to change the Member Assessments shall be submitted to the Board of Delegates for discussion and comments forwarded to the Board of Directors. Ultimate approval of the Member Assessments resides with the Board of Directors.
  - b. Board Delegates Fee: The finance committee will set the Board Delegate's Fee such that the sum of Board Delegates Fees will be calculated to be equal to 50% of the total fees paid by members. As per the ABET policy:
    - i. 0-99 programs: 1 Board Delegate
    - ii. 100-299 programs: 2 Board Delegates
    - iii. 300+ programs: 3 Board Delegates
    - iv. Associate Members will pay 25% of one Board Delegate's Fee.
  - c. Lead Society Fee: The finance committee will set the Lead Society Fee such that the sum of the Lead Society Fees will be calculated to be equal to 50% of the fee

paid by members. All members will pay a fee for each program for which they are the lead society but as a minimum at least five (5) to reflect their membership on commissions. Members will not pay a lead society fee for accredited international programs.

#### **D. Institutional Assessments:**

Institutional Assessments will pay for expenses associated with Accreditation and their proportionate share of the overhead. The finance committee will set visit fees such that fees will pay for costs directly attributable to the cost of accreditation. The maintenance fees will be set in aggregate to pay all other direct accreditation expenses, the allocated overhead and may include a surcharge equal to no greater than 10% of the accreditation expenses to build reserves. The finance committee will calculate these fees annually. Proposals to change the Institutional Assessments shall be submitted to the Board of Delegates for discussion and comments forwarded to the Board of Directors. Ultimate approval of the Institutional Assessments resides with the Board of Directors.

#### **FP.18 Accounts Receivable**

The Business Office is responsible for the sale of goods and services, as well as billings and collections. All invoices are payable in full on the due date. All outstanding balances 30 days following the due date will be subject to a 1.5% Finance Charge compounded monthly.

Institutional delinquencies related to accreditation fees that are over 90 days past due may be subject to cancellation of visit, withholding of draft and or final statements, and loss of accreditation status for all programs within the respective commission.

#### **FP.19 Bank Reconciliation**

The general ledger bank balance for all ABET bank cash accounts will be reconciled on a monthly basis. The bank statement will be reviewed by an individual who does not have access to cash, accounts payable, or accounts receivable.

#### **FP.20 Asset Management**

All physical assets with a cost in excess of \$2,500 and a useful life of more than 1 year shall be capitalized over its useful life. All other physical assets will be expensed in the year they are purchased.

#### **FP.21 Special Projects**

Special projects are those projects that fall within the scope of ABET's mission, but are not currently part of its ongoing operations. Special projects may include research efforts, or new initiatives, and may encompass one fiscal year or be multi-year in length.

Special projects may be funded by ABET, by sponsors and donors, through grants or a combination of any of these means. A financial impact statement will accompany proposals for special projects.

All special projects that are expected to draw down reserves must be approved by the Treasurer, but those projects that would result in a cumulative reduction in reserves of more than \$50,000 in a fiscal year must be approved by the Board.

If a Special Project is approved prior to, or concurrent with, the approval of the ABET annual budget, the special project budget will be reflected in the ABET annual budget. Special projects approved subsequent to the approval of the ABET annual budget and that are expected to draw down reserves more than \$50,000 will be noted by an amended ABET annual budget.

Some special projects and new initiatives may generate excess revenue which should be used to provide seed money for future special projects or new initiatives.

ABET Special Projects will be reported as a separate line item in the monthly financial statements and five-year forecasts.

Internal Controls:

All special projects will be guided by the following internal controls:

- A. In the case of a grant, the Chief Financial Officer will receive the original governing documents.
- B. Management will approve a detailed budget, scope of work, and method of payment before the project is undertaken.
- C. Separate revenue and expense accounts will be shown in the monthly financial statements.
- D. The Business Office will keep separate files for each special project, which will include all supporting documents.
- E. All reports filed with outside parties will be reconciled to the general ledger.
- F. The Chief Financial Officer, Executive Director, and Project Manager will hold quarterly meetings to discuss compliance issues and deadlines.
- G. The Executive Director will be responsible for the expenditures of funds for all special projects.

FP.22 Observer Fees

Observers are responsible for their own travel, meal and lodging expenses. In addition, observers -may be required to pay an observer fee to offset meeting costs. ABET accounting staff will establish the observer fee schedule with approval by the Treasurer. There will be no refund of all or a portion of the observer fee in the event that a closed, executive session is called.

#### FP.23 IRS Form 990

In accordance with IRS Rules, ABET will file Form 990 with the Internal Revenue Service (IRS). An initial review of the draft 990 will be conducted by the current Treasurer, the immediate Past President, the Executive Director, and Chief Financial Officer. The reviewed copy will be provided to ABET Board of Directors, and Board Members will be instructed to direct any questions regarding information in the 990 to the Chief Financial Officer and the Treasurer. After the Form 990 is filed with the IRS, copies will be available to the public in accordance with IRS requirements.

### **SECTION FOURTEEN: Fiscal Year**

The fiscal year of ABET is October 1 to September 30.

### **SECTION FIFTEEN: Copyright and Mailing Lists**

#### **A. Intellectual Property:**

All materials published by ABET are considered the intellectual property of ABET, and therefore copyrighted. They shall not be reproduced in any fashion without the express written permission of ABET.

#### **B. Mailing Lists:**

ABET does not share with any outside entity any of the mailing lists used in the conduct of its accreditation business.

### **SECTION SIXTEEN: Complaints**

#### **A. Policy:**

It is the policy of ABET to review all complaints received from any source, including students, against either an accredited program or ABET itself that are related to compliance with ABET's policies, criteria, or procedures and to resolve any such complaints in a timely, fair, and equitable manner. Furthermore, it is the policy of ABET to retain all documentation associated with any such complaint received against an accredited program for a period of not less than one accreditation cycle (typically six years), and for a period of not less than five years for any complaints received against ABET itself.

1. ABET will not pursue complaints that are not made in writing or that are anonymous. The receipt of a complaint will be acknowledged to the complainant within 10 business days.
2. ABET cannot assume authority for enforcing the policies of programs or institutions regarding faculty member, professional staff, or student rights. ABET does not adjudicate, arbitrate, or mediate individual grievances against a program or institution.

**B. Procedure:**

1. Complaints will be reviewed initially by the ABET Executive Director, acting as an agent of the ABET Board of Directors, or by his/her staff designee.
2. If the complaint is not within the purview of ABET, the complainant will be notified within 10 business days and no further action will be taken.
3. If the complaint appears to warrant further investigation, the Executive Director will follow procedures appropriate to the nature of the complaint. If it appears that an ABET representative or an individual working on behalf of ABET may have violated ABET's Code of Conduct, the Executive Director will forward a copy of the complaint within 10 business days of receipt of the complaint to the Board of Directors Audit Committee for adjudication according to the Board of Directors Rules of Procedure Section Four. If the complaint is against an institution or its accredited programs, the Executive Director will follow the procedure described in the Board of Directors Rules of Procedure Section Sixteen B.4. If the complaint is against ABET, the Executive Director will follow the procedure described in Board of Directors Rules of Procedures Section Sixteen B.5. The complainant will be notified within 10 business days of the receipt of the complaint that the complaint falls within the purview of ABET and the next steps in the investigative process.
4. Complaints to ABET Against an Institution or its Accredited Programs
  - a. If the complaint appears to warrant further investigation, the Executive Director will forward a copy of the complaint to the principal administrative officers of the institution within 10 business days of receipt of the complaint. The Executive Director will request for an institutional response within 20 business days of receipt of the request. In the event that an institutional response is not received by ABET within 20 business days of the request for the response, ABET may initiate further proceedings as circumstances warrant, up to and including revocation of accreditation.
  - b. Upon receipt of the institutional response, the Executive Director will forward a copy of the complaint and the institutional response to the executive committee(s) of the appropriate commission(s). The executive committee(s) will review the institutional response within 20 business days of receipt of the

complaint and institutional response. If more than one executive committee is involved, those committees will work together, as appropriate, to review the institutional response. The commission chair(s) will provide the Executive Director with the executive committee(s)' determination, including a brief rationale for the determination, within 20 business days of receipt of the forwarded information.

- c. If the executive committee(s) determine(s) that the institutional response satisfactorily addresses the issue or issues raised in the complaint, the matter will be considered closed. Within 10 business days of receipt of the executive committee(s)' determination, the Executive Director will inform the complainant and the institution in writing of the determination and the matter will be closed.
- d. If the executive committee(s) determine(s) that the institutional response does not satisfactorily address the issue or issues raised in the complaint, ABET may initiate further proceedings as circumstances warrant, up to and including revocation of accreditation. Within 10 business days of receipt of the executive committee(s)' determination, the Executive Director will inform the complainant and the institution in writing of the determination.
- e. If the institution has released incorrect or misleading information regarding the accreditation status of the institution or program, the contents of visit reports and final statements, or the accreditation action taken by ABET, the institution will be required to make a public correction.

## 5. Complaints Against ABET

- a. If the complaint is concerned with ABET's criteria, policies, or procedures or with the implementation of these, the Executive Director will forward a copy of the complaint to the executive committee of the appropriate commission(s) or to the Board of Directors within 10 business days of receipt of the complaint.
- b. If it appears that an ABET representative or an individual working on behalf of ABET may have violated ABET's criteria, policies, or procedures, that individual will be asked to respond to the issues raised in the complaint within 20 business days of receipt of the request.
- c. Upon receipt of the individual's response, the appropriate commission executive committee(s) or the Board of Directors will make a determination as to whether a violation occurred or not within 20 business days of receipt of the response. The commission chair(s) or the ABET President will provide the Executive Director with the executive committee(s)' or Board of Directors', respectively, determination including a brief rationale for the determination, within 20 business days of receipt of the individual's response.

- d. If the determination is that no violation occurred, the matter will be considered closed. The Executive Director will inform the complainant of the determination in writing within 10 business days of receipt of the determination, and the matter will be closed.
- e. If ABET determines that a violation has occurred, the Executive Director will inform the complainant of the determination in writing within 10 business days of receipt of the determination. ABET will counsel the responsible party and may take further action as circumstances warrant, up to and including termination as an ABET representative.
- f. If ABET finds that a violation of its policies or procedures has occurred which may have had an effect on a program's accreditation action, ABET may initiate further proceedings as circumstances warrant, up to and including an immediate revisit to the program at no cost to the institution.
- g. Complaints against ABET employees will be handled in accordance with the ABET Employee Operations & Procedures Manual and may result in actions up to and including termination of employment.

## **SECTION SEVENTEEN: Changes in Board of Directors Rules of Procedures**

### **A. Proposals for Change:**

Changes in these Rules of Procedure may be proposed by any member of the Board of Directors, by a Board of Directors' Committee or Council, by the request of three or more Member or Associate Member Societies through their Board Delegate(s) or Area Delegate(s), or by recommendation from the Board of Delegates or from a Commission through the Accreditation Council. Proposed changes must be reviewed by the Governance Committee for clarity and consistency with other governing documents. The proposed changes shall be circulated with the agenda of the next Board of Directors' meeting and will then become effective upon endorsement of a majority of the Board members present, provided that a quorum is present.

### **B. Conformance to Constitution and Bylaws:**

Nothing in these Rules of Procedure shall conflict with the Constitution or Bylaws, and changes in the Constitution or Bylaws shall cause the Rules to be changed as necessary. Rules changes that depend upon Constitutional or Bylaws changes shall not become effective until the changes in the Constitution or Bylaws have been ratified, as prescribed in Constitution Articles Ten and Eleven.