



NACVA

NACVA Nomination and Election Guidelines

NACVA Boards

To assure the integrity of the Association, NACVA members oversee key aspects of NACVA's Charter. The mechanism to provide member oversight consists of five boards to oversee Association activity in critical areas having the greatest impact on a member's livelihood. Most Board positions are elected by NACVA's general membership as indicated below:

BOARDS:

At the first of each calendar year, a Nomination Form is made available to each NACVA member to provide the opportunity to submit one nomination (a member may nominate him or herself), and to identify on which Board the nominee is recommended. Before nominating someone for a position, one should verify the member wants to be nominated and that he or she will be committed to serving on that Board for a three-year term. Encourage him or her to submit a curriculum vitae (CV) or biography to headquarters for publishing on NACVA's website during the nomination/election process. After nominations are received, an election ballot will be prepared and sent to the membership for voting.

	Number of Board Positions	Number of Elected Positions	Number of Assigned Positions	Term in Office	Needed for a Quorum	Number of Voting Positions
Executive Advisory Board (EAB)	13	7	6	3	5	10
Valuation Credentialing Board (VCB)	12	6	6 [†]	3	5	9**
Ethics Oversight Board (EOB)	8	6	2 [†]	3	5	8
Litigation Forensics Board (LFB)	12	6	6 [†]	3	5	8*
Standards Board (SDB)	11	7	4‡	3	5	9***

* All voting members must hold the MAFF credential

† Two positions are EAB assigned

** One position must be a voting non-member who represents the public, the other eight must hold the CVA credential.

‡ Four positions are EAB assigned

*** Six positions must be represented by CVAs

General Nomination/Election Rules

The Executive Advisory Board (EAB) has established the nomination/election rules for the VCB, EOB, LFB, and SDB as follows:

1. An individual must first be a NACVA member in good standing.
2. Candidates for positions open on the VCB, EOB, LFB, and SDB are nominated by NACVA's general membership. Candidates for the EAB are nominated by the EAB.
3. An individual can be nominated by the membership to only one of the four member-elected Boards, currently the Valuation Credentialing Board (VCB), the Ethics Oversight Board (EOB), the Litigation Forensics Board (LFB), and the Standards Board (SDB). However, an individual nominated for one of the four boards can also be nominated by the EAB to the EAB.
4. Board terms are staggered to provide for annual rotation and to maintain continuity from year-to-year.
 - a. Elected terms run from June 1 to May 31 and are usually three years.
5. Elected Board members cannot serve consecutive terms on their current Board or another Board. They are required to sit out for one year. Exceptions to this rule are made when:
 - a. A Board member has served one year or less on a Board;
 - b. A Board member is elected to the EAB after serving a term on the VCB, EOB, LFB or the SDB;
 - c. A Board member is appointed to a newly formed Board by the EAB in the establishment of the Board; or
 - d. A Board member is appointed to one of the EAB-assigned positions on the VCB, EOB, LFB, or the SDB.

6. EAB members cannot serve consecutive terms on the EAB or from the EAB to the VCB, EOB, LFB, or SDB, unless the EAB member is serving on one of the EAB assigned positions on that board.
7. No individual can serve on two Boards simultaneously. If an individual nominated for the EAB and one of the other four Boards, and is elected to both, the individual must select one Board to which he or she will belong. The position on the second Board will go to the individual receiving the next highest number of votes. A new election is not held.
8. If an individual currently sitting on one of the four member-elected Boards (the VCB, EOB, LFB, or SDB) is nominated by the EAB for the EAB, is then elected to the EAB, that individual will have to choose on which Board to serve.
9. Seven of the 13 positions on the EAB are nominated by the members of that Board. Four of the positions are chosen by NACVA's Board of Directors; currently filling these positions are NACVA's President, Executive Vice President, Vice President, and Executive Director. All except the Executive Director are non-voting and advisory roles. The Executive Director is a voting member of the EAB.
10. Past EAB members may be re-nominated by the EAB to be on the ballot each year, but the EAB may only nominate one past board member in an election cycle.
11. Two voting positions on the VCB, EOB, LFB and the SDB are assigned by the EAB for terms from one to three years.
 - a. One of the voting positions on the VCB must be a non-member of NACVA, representing the public and users of valuation services.
 - b. The VCB and LFB (not the EOB) can each assign up to four non-voting advisors, who must be approved by the EAB, to its Board for terms from one to three years.
12. Resignations: When a Board Member resigns, such resignations may not be rescinded by that Board Member after it has been accepted. Such resignations can be accepted and affirmed verbally or in writing by NACVA's President, EAB Chair, specific Board Chair, Headquarters' Chief Executive Officer, or the Executive Director. The board position that has been vacated will go to the individual who received the next highest number of votes in the last board election. This individual will assume and complete the remaining period of the resigning board member's term. A new election is not held.

Board Member Restrictions

Board positions are restricted to no more than one position, for all boards, from one family, or from one firm/company, including national and regional firms. Board members cannot serve on the board or ruling body of any organization that directly competes with NACVA. EAB members cannot serve on the board or ruling body of any organization that directly competes with NACVA for a period of one year after the expiration of their term. As a condition to be included on the election ballot, all members nominated to any of the Boards must sign a binding "Confidentiality and Indemnification Agreement," which binds them to confidentiality and indemnifies them from liability should they be elected to serve on a Board.

Purpose and Scope of the Boards

VCB

Valuation Credentialing Board

The VCB has direct decision-making responsibility over the CVA certification criteria including: test development and maintenance; testing, scoring and grading procedures; eligibility and experience requirements; CPE reporting; CPE requirements, and recertification. The VCB has the authority to review the administrative procedures at NACVA headquarters (HQ) over the testing and recertification processes. VCB directives in these regards are made to the Executive Director. If the Executive Director does not comply, the VCB has the authority to take the matter to a higher level, that being the CEO or Board of Directors. The VCB, at its discretion, may evaluate other organizations' testing processes, study and evaluate new technology and approaches to testing methodologies in order to maintain the highest quality standards in NACVA's certification process. The VCB has no direct responsibility for education. The VCB does not have the authority to create a new credential. The VCB is responsible to uphold the mission of the valuation certification program.

EOB

Ethics Oversight Board

The EOB is charged with the monitoring of NACVA's membership with regards to ethical and professional standards. The EOB's responsibilities include creating policies for educating, monitoring, and enforcing compliance. The EOB's duties also include facilitating awareness and enhancing the membership's understanding of NACVA's standards, and when necessary, investigating and determining whether a member or members have violated NACVA's Standards. Any Standards recommendations and issues that fall under the scope of this Board should be submitted, preferably in writing, directly to the EOB Chair, and NACVA's Executive Director. A copy of the EOB's Policies & Procedures Manual can be found on NACVA's website along with the Standards at www.NACVA.com.

EAB

Executive Advisory Board

Although the EAB does not make decisions on matters that fall under the scope of the VCB, EOB, LFB, and SDB, it must ratify decisions of these Boards that fall outside the scope of the Boards' stated purpose and mission in order for the decisions to be acted upon by the Association. The EAB does have decision-making authority over matters pertaining to education and credentialing which fall outside the scope of the VCB and LFB. The EAB has the authority to appoint or establish various NACVA committees and task forces and has, with approval from the Board of Directors, the authority to define the purpose and mission of the Boards when needed and justified to better serve the changing and evolving needs of the Association. Further, the EAB may propose to the Board of Directors the creation of new Boards to serve specific functions to better serve the changing and evolving needs of the Association. The EAB takes part in strategic planning for the Association, working with NACVA's Board of Directors and provides creative and informative oversight and guidance to the VCB, EOB, LFB, and SDB.

LFB

Litigation Forensics Board

The LFB has the responsibility of evaluating the content of NACVA's litigation and forensics-related curriculum to provide assurance that course content remains objective, technically and fundamentally sound, and presents information in a proper perspective giving consideration to course objectives, credentialing requirements, time limitations, and other relevant factors necessary to the creation and development of a well-rounded and substantive training program. The LFB's responsibilities are further expanded to oversee credentialing criteria, both pre- and post-requisite, for NACVA's Master Analyst in Financial Forensics (MAFF) designation. This includes testing and grading procedures, experience requirements, reciprocity and recognition programs, quality and/or peer review, and recertification. Each LFB member is expected to source three articles per year for publication in the *National Litigation Consultants' Review*, the oldest periodical specifically published for consulting and testifying financial experts. The member may write the article or provide an article written by another competent author. The article should be written on a subject of interest to a litigation practitioner.

SDB

Standards Board

The SDB has the responsibility to provide clarification/interpretation of areas in the Standards in response to questions from our members or to address elements of practice and application not addressed in our principles based Standards, but determined by the Board to require clarification. These clarifications/interpretations are published in a document entitled, "Frequently Asked Questions" (FAQs), which is posted on NACVA's website along with our Standards. The Board will support the broad use and acceptance of our Standards by pursuing bipartisan relationships with other standards-making organizations. They also have the charge to stay abreast of other industry standards, rules and requirements, and practice aids that impact our members. Accordingly, the Board will be proactive in influencing other organizations' pronouncements for the best interests of our members. Members of the SDB are responsible for fielding phone calls referred to them by HQ to explain or interpret any parts of our Standards. The Board's purpose is to promulgate NACVA's Standards throughout the business valuation provider and user communities. This is achieved by addressing issues in the business valuation community and providing interpretations, amendments, restatements, and new releases of NACVA's Standards as deemed necessary and prudent. The SDB reports directly to the Executive Advisory Board (EAB), and apprising the Ethics Oversight Board (EOB) when and where their involvement is appropriate. All decisions approved by the SDB, must also be approved by the EAB before going to the membership.

Other Elements Pertaining to the Boards

1. The EAB is accountable to NACVA's Board of Directors, whose composition is determined by the shareholders of NACVA.
2. The Board of Directors has the ultimate veto power over changes approved by the EAB but must report its decisions to reverse EAB decisions in the *Association News* within 60 days of the veto.
 - The EAB and the Board of Directors cannot initiate changes that fall under the purview of the VCB, EOB, LFB, and SDB, other than by suggestion. There is an exception where the EAB and/or the Board of Directors can initiate changes on behalf of one of these Boards where in their discretion, the change is in the best interests of the Association, required in the pursuit or maintenance of the accreditation sponsored by the NCCA or other body for either the CVA or MAFF credential, or time is of the essence and the Board has not been responsive.
 - The EAB and the Board of Directors each have the authority to request a survey of the membership.
3. Each Board votes on its own Chairperson and Secretary.
 - Board members can serve as Chair for one year during their term.
 - Second terms as Chair are subject to EAB approval.
4. The determination of fees and charges remains under the purview of the Board of Directors.
5. The shareholders of NACVA can sit on the VCB, EOB, LFB, or SDB, or they can have a representative present at the meetings, in a non-voting capacity.
 - NACVA headquarters may also assign a representative(s) to attend meetings of the Boards, in a non-voting capacity.

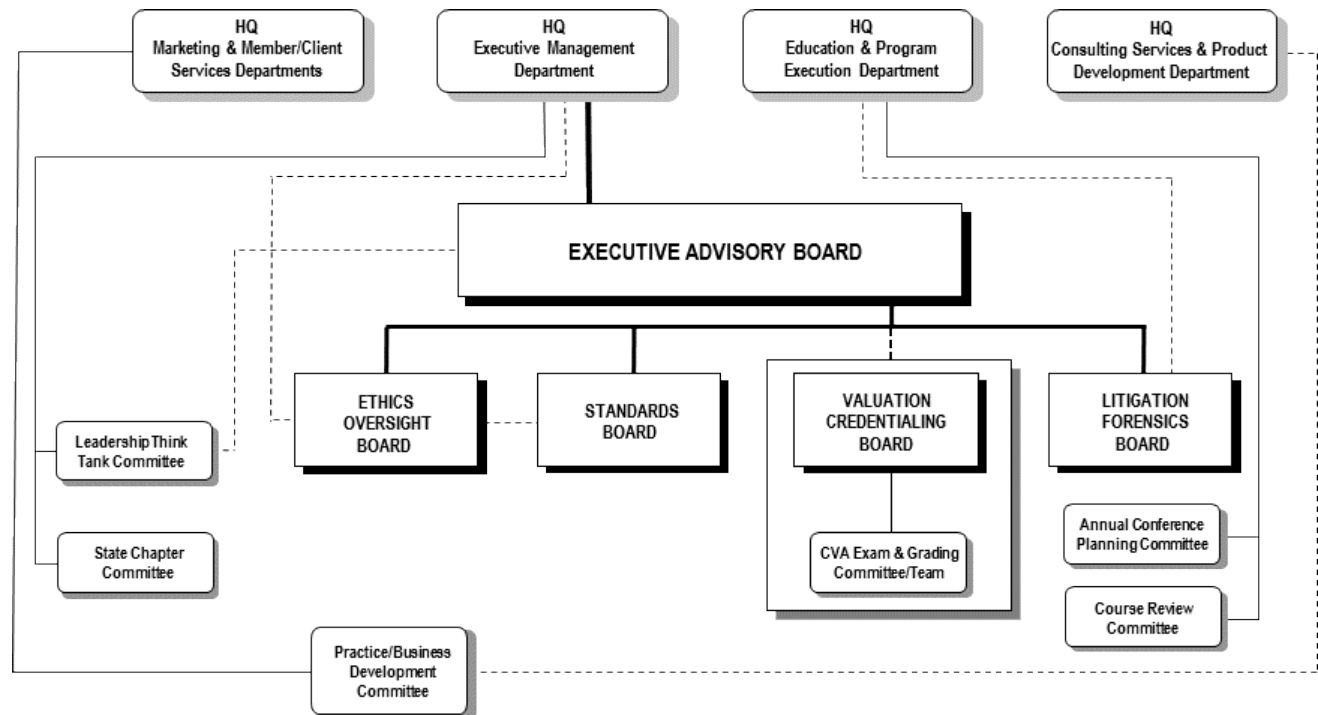
Board Member Responsibilities

It is important to note that Board positions are voluntary. Minimum expectations are provided to assure interaction between members, keep Boards on a forward-moving path, provide a structure for carrying initiatives to conclusions, and keep members involved by giving them a voice in Association matters. Expectations for individual Board members are as follows:

1. Commit to spending at least 40 hours on Association matters per year.
2. Attend NACVA's Annual Consultants' Conference.
3. Participate in all Board conference calls/meetings (generally held on the same day/time each month).
4. Act as a liaison to at least one Committee or Task Force.
5. Contribute to one Board Update article per year for publication in the *Association News*.
6. Each fiscal year, Board Chairs should create their own set of Board expectations that could be added to this list. This could also include yearly goals.

The expectation for EAB members is 80 hours per year and requires participation in monthly conference calls/meetings and one face-to-face meeting each year.

NACVA Board and Committee Organization Chart



Board Member Benefits Package

Board members will not be compensated for their position and will have to pay out-of-pocket expenses for travel (car, taxi, bus, airline, etc.), lodging, meals, phone, Internet, and postage. However, NACVA does provide the following benefits package for Board members during their term(s):

1. Membership dues are waived (free) for each year he or she serves, plus, Board members receive a considerable discount off the annual subscription fee to KeyValueData.
2. Fifty percent (50%) discount off Registration fees to attend NACVA's Annual Consultants' Conference **instead of** the standard 10 percent (10%) member discount and **any additional discounts** such as early registration. (This discount does **not** apply to other seminars or training programs sponsored by NACVA. The conference is usually held in early June each year.)
3. Board members receive a 20 percent (20%) discount off all other NACVA products, webinars, programs, and services instead of the standard 10 percent (10%) member discount, but only off of products, seminars, training programs, and services where the 10 percent (10%) member discount is applicable.
4. HQ will pay for all NACVA Board member conference calls so long as a quorum and a NACVA staff member are present and complete minutes of the meeting are taken and provided to HQ and the EAB liaison following each meeting.
5. In each issue of the *Association News*, we will briefly profile individual members of each Board, assuring that everyone is profiled at least once during his or her term.
6. Board members can use the *Association News* to announce their upcoming speaking engagements.
7. Board members can use NACVA's toll-free product information line when calling HQ. That number is (800) 677-2009.