

**Bylaws of the  
Morehead State University Foundation, Inc.**

**Article 1: Definition, Vision and Mission**

**The Morehead State University Foundation, Inc.:** The MSU Foundation (hereafter Foundation) is a non-affiliated corporation recognized under Kentucky law as an entity dedicated to assisting the University but not controlled by the institution. As such, it reimburses the University for staff support, office space, utilities and other services under terms of a detailed operating agreement. The agreement also establishes the Foundation's fiduciary responsibilities for managing gift assets of the University.

Organized in 1979 as a non-profit Kentucky Corporation, the Morehead State University Foundation, Inc. provides private financial support to the University as a tax-exempt educational foundation under section 501 (C) (3) of the Internal Revenue Code of the United States.

**Vision:** The Morehead State University Foundation, Inc. Vision is to provide margin of excellence opportunity funding to Morehead State University in an effort to assist MSU in reaching its established goals.

**Mission:** The Mission of the Morehead State University Foundation, Inc. is:

- to prudently administer all assets of the Foundation and/or Morehead State University as provided by federal and state law and regulations and through fiduciary responsibility between the University and the Foundation,
- to promote educational purposes in connection with or at the request of the University by encouraging, sponsoring and supporting institutional priorities,
- to provide advice, consultation and support to the President and Board of Regents of Morehead State University, and
- to provide volunteer leadership to Morehead State University's fund raising programs and to assist other institutional advancement efforts.

**Article 2: Trustees**

**Section 1: Number:** The number of Trustees shall be no less than twenty (20) and no more than thirty (30). One Trustee shall be the President of Morehead State University, who will serve in an ex officio capacity. One Trustee shall be the Chief Development Officer of the University, who will also serve as the Chief Executive Officer of The Foundation by virtue of his/her position. One Trustee shall be the Chief Financial Officer of the University who shall serve in an ex officio capacity.

**Section 2: Selection:** The Nominating committee of the Board of Trustees shall certify candidates for Board membership as outlined in this document. Candidate nominations shall be presented for Board approval at a regular meeting.

**Section 3: Expectations:** All trustees shall be expected to promote the purposes of the Foundation as stated in the Vision and Mission, participate in Foundation board and committee meetings, assist in University fundraising efforts, and make meaningful financial contributions to the University.

**Section 4: Terms:** All appointments shall be made for a term of four years. Under normal circumstances, the maximum length of term for any trustee shall be two consecutive terms. All terms of service become effective on July 1 and expire on June 30. Terms shall be staggered to insure that no more than 25% of the Trustee terms expire in any given year. Trustees may be asked to return to the Board after a one-year absence.

**Section 5: Vacancies:** All vacancies on the Board of Trustees, from whatever cause, should be filled and ratified by the Board of Trustees as quickly as possible using processes outlined in this document and shall be for the remainder of the unexpired term. If the unexpired term is two or more years, the Trustee filling the vacancy will be limited to one additional term of service; when the unexpired term is less than two years the Trustee filling the vacancy may serve two additional terms.

**Section 6: Attendance:** A Trustee who is absent from two consecutive meetings without approval shall be notified by the Secretary that he/she is delinquent in attendance. Any member who misses three consecutive meetings without approval may be deemed to have resigned, unless an exception is made by the full Board. Attendance need not always be in person.

### **Article 3: Officers**

**Section 1: Leadership Team:** The leadership of the Foundation shall be a Chief Executive Officer (CEO), a Chair, a Vice Chair, and a Treasurer. All officers shall serve until their successors are elected /appointed and qualified. These officers shall have the authority to sign legal and financial documents on behalf of the Foundation.

**Section 2: Chief Executive Officer:** The CEO is a salaried, full-time employee of Morehead State University who holds the position of Chief Development Officer. The CEO shall be responsible for the general, day-to-day management of the affairs of the Foundation and shall exercise such authority to accept gifts, collect revenues, and make expenditures as may be delegated to him/her by the Board of Trustees. This person is responsible for implementing the directives of the Board of Trustees consistent with the Vision and Mission of the Foundation and in compliance with Section 501(c) (3) of the Internal Revenue Code of the United States of America and KRS Chapter 273. The CEO will also ensure that requirements of a non-affiliated organization are met and the organization remains in compliance.

**Section 3: Chair:** The Chair shall preside at all meetings of the Trustees at which he or she is present, and in general shall perform all of the duties usually pertaining to the office of Chair. The Chair is nominated by the Nominating Committee and approved by the Board of Trustees.

Section 4: **Vice Chair:** The Vice Chair shall have full authority to act for the Chair in his/her absence or incapacity. The Vice Chair is nominated by the Nominating Committee and approved by the Board of Trustees.

Section 5: **Treasurer:** The duties of the Treasurer include certifying official Foundation documentation and advising on matters related to financial matters. The Treasurer shall be nominated by the Nominating Committee and approved by the Board.

Section 6: **Secretary:** The Secretary shall be nominated by the Nominating Committee and approved by the Board of Trustees. The Secretary need not be a Trustee.

Section 7: **Terms:** Appointed officers will serve consistent with their employment at MSU. Elected officers will serve a period of four years. Terms of office can be extended by a vote of the Board. Service will normally not extend beyond established term limits.

#### **Article 4: Meetings**

Section 1: **Regular Meetings:** The Board of Trustees shall meet at least three times annually. The annual meeting schedule will be presented for Board approval in the last regular meeting of each fiscal year. At least two of these meetings shall be held in person, with an option to hold one meeting electronically.

Section 2: **Special Meetings:** Special meetings may be called by the Chair as appropriate. Actions taken in such special meetings may be subject to the approval of the full Board at the next regular meeting.

Section 3: **Quorum:** At any meeting of the Board of Trustees, a quorum shall consist of a simple majority of all members on the current roster.

Section 4: **Minutes:** Minutes of each committee meeting shall be recorded and transcribed by a Foundation staff member and distributed to members.

Section 5: **Voting:** Each Trustee who is not in an ex officio role shall have one vote on all actions of the Board. Actions may be presented for vote at any regular or special meeting. Actions may also be presented for vote in a written or electronic fashion between regular meetings. Absentee vote is permissible at the discretion of the Chair and CEO.

#### **Article 5: Committees**

Section 1: **Standing Committees:** The standing committees shall be the Finance Committee, the Audit Committee, and the Nominating Committee. Each committee will be appointed by the Chair with approval of the Board.

Section 2: **Finance Committee:** A Finance Committee, consisting of not less than six members of the Board including the Treasurer, shall advise the Board in regard to the general fiscal policy and fiscal management of the Foundation. This includes but is not limited to receipt

and disbursement of gift assets and other income, in addition to investment, endowment and risk management. The Finance Committee shall review the Foundation's investment policy annually to ensure compliance and recommend revisions as appropriate. The Finance committee will have the authority to recommend the transfer of investment assets in accordance with the Financial Management and Investment Policy.

**Section 3: Audit Committee:** An Audit Committee consisting of not less than three members of the Board will recommend to the Board the employment of an independent auditor to conduct an annual independent audit. The Audit Committee shall also have the responsibility of reviewing said audit and seeing that proper control and generally accepted accounting principles are adhered to by the Foundation.

**Section 4: Nominating Committee:** A Nominating Committee consisting of not less than five members of the Board, one of which shall be the CEO of the Foundation, will make recommendations to the Board for election of all Trustees when vacancies occur or as needed to increase membership to limits established in the bylaws . The Nominating Committee shall identify and recommend individuals who have the ability to meet the expectations of membership and an interest in serving on the Board. Additionally, the Nominating Committee shall present a slate of officers to the full Board at the last meeting of the fiscal year when appropriate.

**Section 5: Ad Hoc Committees:** The Chair may, from time to time, create additional committees with temporary duties as the Board may prescribe. Such a committee shall cease to exist upon completion of duty and at the direction of the Chair.

**Section 6: Non-Trustee Membership:** In the event that a Standing or Ad Hoc Committee requires exceptional expertise within the membership of the committee beyond that held by the Board Trustees, the committee may request the appointment of non-Trustee members with the required expertise. When such appointments are necessary, the Committee Chair will forward the name(s) of the candidate(s) to the Nominating Committee with justification for the recommended appointment. The Nominating Committee shall present the nominee(s) to the full Board at the next official meeting of the Board or via an electronic ballot, whichever best facilitates the needs of the committee. The length of service for non-Trustee members will be determined by the committee making the exceptional expertise request but service beyond the normal four year term for Trustees requires full Board approval. Non-Trustee committee members cannot exceed 25% of the overall committee membership or no less than one (1) member of the committee. Non-Trustee committee members are advisory in function; they may vote on actions taken within the committee but are non-voting members on actions being considered by the overall Board of Trustees.

**Section 7: Committee Meetings:** Meetings of all committees shall be conducted as determined by the committee chair in advance of regularly scheduled Board meetings.

**Section 8: Minutes:** Minutes of committee meetings shall be recorded and transcribed by a Foundation staff member and distributed to members, as appropriate.

## **Article 6: Liability**

**Section 1: Relationship with MSU:** The Morehead State University Foundation, Inc. is an independent Corporation, not affiliated with Morehead State University, assisting Morehead State University in reaching its established goals. The University is not liable, and will not be held out by the Foundation as liable, for any of the Foundations contracts, torts, or other act or omissions, or those of the Foundation's Trustees, officers, staff, or activity participants.

1. The University Board of Regents recognizes the Foundation as its fiduciary to solicit, receive and administer all private non-contractual contributions to the University. The Foundation accepts its legal responsibility as a fiduciary to carry out these duties and the mission set forth above. It further recognizes its liability to the University if it fails to properly perform its fiduciary duties.
2. The University and Foundation recognize and affirm a fiduciary relationship of the Foundation for the identification, receipt, acknowledgment and administration of all private contributions, regardless of check payee designation. The Foundation and the University will act so that the intent of private donors (individuals, businesses or foundations) is followed with respect to their contributions, subject to compliance with sections 273.600 through 273.645 of the Kentucky Revised Statutes (Uniform Prudent Management of Institutional Funds Act).

**Section 2: General Liability:** No Trustee or committee shall contract or incur any debt on behalf of the Foundation, or in any way render it liable unless authorized by the Board. No Trustee or committee of the Foundation is authorized to promise moral or financial support of any individual or organization without the approval of the Board.

**Section 3: Immunity of Members:** No member of the Board of Trustees or any of its committees shall be personally liable for the acts of the Foundation, its Board, committees, officers, staff, agents or employees.

### **Article 7: Conflict of Interest**

All Board members are required to disclose any potential conflicts of interest as a Foundation Trustee concerning any matter that may affect the Foundation or Morehead State University. A signed form addressing this shall be on file before any new Trustee attends his/her first meeting.

### **Article 8: Confidentiality**

All information concerning donors and prospective donors including names, names of beneficiaries, amounts of gifts, financial position, size of estate, etc. shall be kept strictly confidential by the members of the Foundation Board. Additionally, investment information shall be held confidential. A signed form addressing this shall be on file before any new Trustee attends his/her first meeting.

### **Article 9: University/Foundation Operating Agreement**

A written agreement providing for the Foundation, functioning as a non-affiliated University corporation defined in KRS Chapter 164, to fully cooperate with Morehead State University in all matters shall be adopted and subsequently reviewed every five years from the date of signing or at the request of either party.. Said review shall be conducted by the Foundation officers and approved by the University President. The operating agreement shall provide for the physical facilities, personnel and other support of

the Foundation and shall clearly delineate the Foundation's fiduciary responsibility to the University for receipt, investment and disbursement of gift assets.

**Article 10: Ratification and Amendment of Bylaws**

**Section 1: Ratification:** These Bylaws shall become effective upon their adoption by the Board. No provision of these Bylaws shall be construed to be in conflict with the Articles of Incorporation of the Foundation. A vote of approval by two thirds of the full Board is required for adoption.

**Section 2: Amendment:** These Bylaws may be amended and/or repealed by approval of two-thirds of the membership of the Board of Trustees. A vote of this nature may take place at any regular meeting, or at any special meeting, when notice of proposed amendment or repeal has been given in the notice calling said special meeting of the Board, at least one week prior to said meeting. A vote of approval by two thirds of the full Board is required for amendment.

*Adopted retroactive to January 1, 2013, approved by the Board of Trustees on February 16, 2018*