

FSU Foundation, Inc.

By-Laws

(Adopted October 18, 2024)

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ARTICLE I - PURPOSES

The purpose of the Frostburg State University Foundation, Inc., (hereinafter referred to as the "Foundation"), shall be the same purposes as set forth in Article III of the Articles of Amendment and Restatement of Frostburg State University Foundation, Incorporated as the same may from time to time be amended.

ARTICLE II - DIRECTORS

Section 1: Number

The number of Directors of the Foundation may be increased and/or decreased from time to time by the Board of Directors, provided that there shall not at any time be more than forty (40) nor fewer than ten (10) Directors.

Section 2: Ex-Officio Directors

There shall be at least two (2) ex-officio directors; including, the President of Frostburg State University and the principal development officer of Frostburg State University. In the absence of a principal development officer the President of Frostburg State University shall designate a member of the University administration to fill that ex-officio directorship(s) as "acting" until such time as the named position(s) has been filled, at which time that person shall be named to the Board by the President as herein before provided. The ex-officio directors shall be counted for the purposes of constituting the Board of Directors as defined in Section 1 above, but shall be non-voting members of said Board.

Additional non-voting ex-officio members (i.e. Emeriti) may be appointed by the President of the Board from time to time for special purposes or representation, but such directors shall not be counted either to satisfy the requirements of Section 1 above or to constitute a quorum.

An ex-officio member who is appointed while already serving an elected term on the Foundation Board shall have his or her Foundation Board term suspended during the time of service to resume after their ex-officio term has been completed.

Section 3: How Elected

At the June meeting designated as the Annual Meeting of the Board of Directors or at a duly constituted special meeting of the Board of Directors, the Directors then serving shall, by a majority vote of Directors then in office, elect such other Directors as may be authorized by the By-Laws. The Directors and ex-officio Directors shall constitute the Board of Directors, hereinafter called "Board." The term of a Director elected to fill a vacancy arising from resignation or death of a sitting Director shall terminate coincident with conclusion of the vacated term.

Section 4: Nominations

Nominations for election of Directors may be submitted by any Director to the Nominating Committee at least thirty (30) days prior to the Annual meeting of the Board. In the interval between regular meetings of the full Board, the Executive Committee may nominate a person it feels is qualified and solicit an electronic vote to confirm that person as a Director.

Section 5: Vacancies

The Board as then constituted may fill all vacancies that may occur on said Board after notice and meeting, as promptly as possible after such vacancy occurs and any person so chosen to fill such a vacancy shall serve for the balance of the term of the predecessor.

Section 6: Term of Office

All Directors, except ex-officio Directors, shall serve a term of three (3) years. Directors may serve for three consecutive terms. After that he/she must be off the Board for at least one year before being re-elected. The term of any member will be extended if that member is serving an unfinished term as Secretary, Treasurer, or Assistant Treasurer of the Foundation. The term limits for Vice President, President and Past President shall be suspended while holding those offices and will resume at the end of their term. Each year approximately one-third of the Board membership shall be up for re-election. The terms of Directors begin July 1, unless elected at a meeting other than the Annual meeting, the beginning date is as of that meeting. All terms terminate on June 30 or the Annual meeting which ever should come first. Those current members (as of January 5, 2010) who have served ten (10) years or more are excluded from term limits.

Section 7: Duties

The business and affairs of the corporation shall be managed under the direction of the Board of Directors of the Foundation. The Directors shall in all cases act as a Board, regularly convened by a majority, except as elsewhere herein provided. The Board may adopt such rules and regulations for the conduct of their meeting and the management of the Foundation as they may deem proper, not inconsistent with these By-Laws, the Laws of the State of Maryland and the Laws of the United States dealing with the tax exempt status of organizations.

The Board's continued success depends upon the personal commitment of a select group of dedicated people who understand the privilege to serve and the responsibility to lead. Each board member must be an enthusiastic advocate and communicator of our mission and an integral part of our resource development activities.

1. General Expectations:

- a. Support the educational mission of Frostburg State University and the Foundation; and
- b. Be a strong ambassador and advocate by helping to promote the University's successes and needs; and
- c. Provide support to the alumni relations, development, marketing, and public relations programs to ensure that Frostburg State University fulfills its mission and achieves its goals; and
- d. Attend Foundation meetings (currently three times per year) and be prompt in responding to e-mail and other communications received from the University; and
- e. Participate on a board committee and/or be involved with a related institutional program that is supported by the Foundation; and
- f. Provide input and feedback to the Executive Director on the performance of the Foundation, including its service to stakeholders; and
- g. Attend special events and activities.

2. Fiduciary Responsibility:

- a. Provide oversight to management and staff in the prudent control, allocation, and transfer of

funds; and

- b. Faithfully read and understand the Foundation's financial statements and otherwise help the Board fulfill its fiduciary responsibility.
3. Fundraising:
- a. Support the Foundation through a personal charitable gift indicative of this leadership role and in accordance with personal capacity, for example:
 - i. a leadership annual gift of \$1,000 to the unrestricted annual fund, and
 - ii. a special gift in support of an initiative of personal interest, and
 - iii. consideration of inclusion of the FSUF in long-term financial and estate plan
 - b. Facilitate charitable gifts from others. This includes the cultivation and solicitation of others who can make gifts, and the identification of others who can make gifts.
4. Avoiding Conflicts:
- a. The interests of the Foundation as a whole should be a Board member's first priority, rather than those of any special interest group or constituency; and
 - b. Avoid even the appearance of a conflict of interest that might embarrass the Board or the Foundation, and disclose any possible conflicts to the President and Executive Director in a timely fashion.

Section 8: Meetings

Three scheduled meetings of the Board of Directors shall be held annually:

Meeting	Time of Year	Agenda
Fall	prior to December 31	<ul style="list-style-type: none"> • presentation of independent auditor's report from the previous fiscal year
Spring	Feb/March/April	<ul style="list-style-type: none"> • presentation of benchmarking and self-assessment data
Annual	prior to July 1	<ul style="list-style-type: none"> • election of directors and officers • presentation of proposed budget for the coming year

Meeting dates, time, and place shall be determined by the Executive Committee and announced by the President of the Board. Special meetings of the Board may be called at any time by the President of the Board or upon the written request of ten (10) or more Directors.

Section 9: Notice of Meetings

Notice of meetings shall be given electronically at least ten (10) days before the date therein designated for such meeting. Notice thereof shall specify the time and place of such meeting and the business to be brought before the meeting and, in the case of a special meeting, no business other than that specified in such notice shall be transacted. At any meeting at which a quorum of the Board shall be present, although held without notice as

prescribed above, any business may be transacted which might have been transacted if the meeting had been duly called.

Section 10: Voting

At all meetings of the Board, each Director shall have one vote. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. Unless State Law provides otherwise, there is no proxy voting.

Section 11: Quorum

One-third (1/3) of the Directors currently serving in office shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 12: Removal

Any one or more of the Directors may be removed, either with or without cause, by a majority vote of the Executive Committee.

Section 13: Waiver of Notice

Whenever by statute, the provisions of the Articles of Incorporation, or these By-Laws, the Board is authorized to take action after notice, such notice may be waived, in writing, before or after the action or meeting requiring such notice, by the person or persons entitled to such notice.

Section 14: Indemnity

The Foundation shall indemnify and save harmless each and every Director and ex-officio Director from all liability arising out of the performance of a Director's functions, duties, and/or responsibilities to the full extent allowed by Maryland law.

ARTICLE III - OFFICERS

Section 1: Number

The Officers of this Foundation shall be: President, Executive Director (ex-officio), Vice President, Secretary, Treasurer, Assistant Treasurer, and Immediate Past President.

Any officer may hold more than one (1) office, but the President may not serve as Secretary at the same time.

Section 2: Election

The officers of the Foundation shall be elected at the Annual meeting of the Board and shall take office on July 1 of and hold office for a total of three fiscal years. No member may hold the office of President, Vice President, or Immediate Past President for more than one consecutive term. No member may hold the office of Secretary, Treasurer, or Assistant Treasurer for more than two consecutive terms. The Board may appoint such other officers, agents, and employees as it shall deem necessary and who shall perform such duties as may be prescribed by the Board.

Section 3: Removal

The Board may remove any elected officer at any time with or without cause.

Section 4: Vacancy

A vacancy in any office may be filled by the Board for the balance of the vacant term.

Section 5: Executive Director

The office of the Executive Director shall be filled by a principal development officer of Frostburg State University (or in the absence an "acting" member of the administration with similar duties assigned) as appointed by the President of Frostburg State University.

Section 6: Treasurer

The office of Treasurer shall be duly elected and shall be filled by an individual who is not an employee of the State of Maryland or Frostburg State University.

Section 7: Duties of Officers

The duties and powers of the officers of the Foundation shall be as follows:

- a) President - The President shall preside at all meetings of the Board. The President shall do and perform such other duties as from time to time may be assigned by the Board. The President shall preside at all meetings.
- b) Executive Director - The Executive Director shall be the chief administrative officer of the Foundation, and shall be responsible for the daily management of the Foundation and responsible for the implementing of the plans and programs of the Board.
- c) Vice President - The Vice President shall preside at all meetings of the Board in the absence of the President. The Vice President shall perform such other duties as the Board may from time to time assign.
- d) Secretary - The Secretary shall keep or review the minutes of all meetings of the Board, and perform such other duties as the Board may assign.
- e) Treasurer - The Treasurer shall review and supervise the financial affairs of the Foundation including the custody of all monies and securities of the Foundation; the procedures for the keeping of the regular books and accounts of its funds and property; and the deposit of all monies, checks, and other credits to the account of the Foundation in such bank, banks, or other depositories as the Board may designate. The Treasurer shall render to the Board of Directors an independent auditor's report at the Fall meeting of the Board and provide financial reports at any other meetings of the Board and at such other times as the Board may from time to time determine. The Treasurer shall execute and deliver to the Foundation a bond in such sum and such surety or sureties as may be required by the Board for the faithful discharge of duties. The Treasurer shall at all reasonable times exhibit books and accounts to any Director of the Foundation, and shall in general perform all duties incident to the office of Treasurer, subject to control of the Board of Directors.
- f) Assistant Treasurer - The assistant treasurer shall assist the treasurer and perform other such duties as the Board assigns.

Section 8: Expenses and Compensation

Any officer or director of the Foundation may receive reimbursement for expenses incurred while carrying out the normal discharge of duties under such guidelines as the Board may determine. Officers and directors of the Foundation may not receive compensation, as opposed to expenses, for services rendered.

ARTICLE IV - MEMBERS

Section 1: Definition

Members of the Foundation shall be the Directors and ex-officio Directors of the Foundation.

ARTICLE V - COMMITTEES

Section 1: Executive Committee

The Executive Committee shall be appointed annually by the president and consist of not fewer than seven (7) members of the Board, including the president, immediate past president, vice-president, secretary, treasurer, assistant treasurer and up to three (3) members-at-large. No Director may serve as a member-at-large for more than three (3) consecutive years. The Executive Director shall be an ex-officio member of the Executive Committee, without vote. During the interval between meetings of the Board, the Executive Committee shall have and may exercise on behalf of the Board all of the authority of the Board in respect to the management of the Foundation. The Executive Committee shall report all of its activities to the Board at regular Board meetings. More than 50% of the voting members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 2: Governance Committee

The Governance Committee shall be comprised of the Vice President, who shall act as chair, and at least ten (10) other Board members.

The Committee shall have the responsibilities and duties associated with:

- a) Developing and reviewing organizational policies and procedures, including By-Laws; thereby ensuring the existence of good operational and tactical plans and that policies are in place for the acceptance, management, stewardship, and reporting of gifts to the Foundation
- b) Identifying and recruiting future Board members
- c) Assisting with orientation of new and existing Board members
- d) Training and educating the Board related to best practices in the governance area
- e) Assuring yearly assessment/evaluation of the Board, its programs, the Executive Director, and individual directors, including each director's self-assessment are conducted. and will present and discuss its results with the Executive Director of the Foundation and the Foundation Board.

This committee is charged with reviewing all potential Board members and making a recommendation of qualified nominees and a slate of officers to the committee as a whole which shall then make a recommendation regarding nominations to the full Board in writing not less than ten (10) days prior to the Annual meeting.

Section 3: Budget and Finance Committee

The Budget and Finance Committee shall review and approve the operating budgets for the Foundation and all Foundation Funds; thereby ensuring that plans are in place which provide adequate resources to the

Advancement effort sufficient to the attainment of the University's mission and goals.

Section 4: Annual Spending Committee

The Annual Spending Committee will determine annually the amount of funds available for assisting University programs; solicit proposals for funding; review and select proposals to receive funds.

Section 5: Audit Committee

The Audit Committee shall consist of at least six members plus a chair. The chair and at least four of the members shall be members of the Board but the other two may be members from the community with special expertise in the area of audits. This committee shall review the audit report with the auditor, report to the full Board the results of the audit report and recommend any necessary changes.

Section 6: Investment Committee

The Investment Committee shall consist of at least six members plus a chair. The chair of this committee and at least four of these members must be members of the Board. The remaining two may be members of the community with special expertise in the area of Investments. The Investment Committee shall review and recommend changes regarding Foundation investments and the investment policies.

Section 7: Alumni Engagement Committee

The Alumni Engagement Committee is responsible for working with the Alumni Advisory Council and Alumni staff to help plan alumni strategy.

Section 8: Ad Hoc Committees

The President, Executive Committee or the Board may, from time to time, create additional committees with such powers and duties as prescribed and may appoint non-Board members to committees other than the Executive Committee.

Examples include:

- a) Planned Giving Committee – Works to identify, cultivate, and solicit donors who help to secure the future of the University through planned gifts such as including the Foundation in their wills, naming the Foundation as a beneficiary of a retirement account, funding a gift annuity, or establishing a charitable trust. This subcommittee can include additional members of the community who have a special interest in supporting the University.
- b) Real Estate Committee – Assembled as needed to review proposed gifts of real estate. This subcommittee may include additional members of the community with special expertise in the area of Real Estate.

ARTICLE VI - SEAL

Section 1: Seal

The seal of the Foundation shall be circular in form, with the name of the corporation inscribed around the outer edge, and in the center shall be inscribed the words "Incorporated" and "Maryland," and the year of incorporation.

ARTICLE VII - EXECUTION OF INSTRUMENTS

Section 1: Instruments Generally

Contracts and other instruments (excluding routine instruments signed by the Executive Director) shall be signed, unless otherwise required by law, by any two officers. The Executive Director of the Foundation, signing alone, is authorized and empowered to execute in the name of the Foundation all routine instruments arising in the daily operation of the business of the Foundation as provided by the standard operating procedures of the Foundation.

Section 2: Notes, Checks, etc.

All notes, drafts, acceptances, checks, endorsements, and evidences of indebtedness of the Foundation shall be signed by such person or persons and such manner as the Board shall from time to time determine.

Section 3: Deposits

All funds of the Foundation shall be deposited to the credit of the Foundation in such banks, trust companies, or other depositories as the Board may select.

ARTICLE VIII - INVESTMENTS AND EARNINGS

Section 1: Investments

The Foundation shall have the right to retain all or any part of any securities, monies, or property acquired in whatever manner and to invest and reinvest any funds held by it, according to the judgment of the Board. This is without restriction of any kind, provided that no action shall be taken by or on behalf of the Foundation if such action is a prohibited transaction or would result in the denial, suspension, or revocation of tax exempt status under the United States Internal Revenue Code, as amended, for the Foundation.

Section 2: Earnings

No member, director, officer, employee, or any other person shall receive at any time any of the net earnings or pecuniary profit from the operations of the Foundation, except that nothing shall prevent the payment of reasonable compensation for services rendered to or for the Foundation in pursuance of any of its purposes. Such compensation is to be fixed by the Board in accordance with Article III, Section 8 of these By-Laws. Any such compensation shall also be subject to limitations imposed thereon by fiscal policies of the USM Board of Regents.

ARTICLE IX - FISCAL YEAR AND AUDIT

Section 1: Fiscal Year

The fiscal year of the Foundation shall be from July 1 to June 30.

Section 2: Audit

The fiscal records of the Foundation shall undergo an independent auditor's report at least once annually by an independent, certified public accountant in accordance with generally acceptable auditing standards, in compliance with Federal Law, State Law and in sufficient detail to assure compliance with the Affiliated Foundations Policy of the University System of Maryland Board of Regents.

ARTICLE X - AMENDMENT

Section 1: By-Laws

These By-Laws may be altered, amended, repealed, or added to by the majority vote of the Directors of the Foundation then in office at any regular or special meeting of the Board, after due call and notice.

Section 2: Articles of Incorporation

The Articles of Incorporation of the Foundation may be altered, amended, added to, or substituted by majority vote of the Directors of the Foundation then in office at any regular or special meeting of the Board, after call and notice.