

POLICY MANUAL
of the
Kennesaw State University Foundation, Inc.

Revised
June, 2000

100 – GOVERNANCE

Section 101 – TRUSTEE RESPONSIBILITIES

The Kennesaw State University Foundation was established for the express purpose of providing support to Kennesaw State University in carrying out its programs and activities. The Foundation is governed by the Board of Trustees and the Executive Committee as outlined in the bylaws. Also, trustees are individually and collectively bound by the agreement between the University and the Foundation submitted to and approved by the Board of Regents of the University System of Georgia (see Addendum I). Responsibilities and duties of trustees, both individually and collectively, are outlined below:

- 101.1: Trustees make a commitment to KSU, its mission and goals.
- 101.2: Trustees participate in Foundation fundraising for the benefit of Kennesaw State University.
- 101.3: Trustees participate in setting and approving long-range planning and strategy for the Foundation in concert with the long-range plans for KSU.
- 101.4: Trustees oversee the expenditure of private gift funds and carry a fiduciary trust for donors to the Foundation.
- 101.5: Trustees provide guidance and specialized skills; expertise and advice to the University president, the academic community and the Foundation staff.
- 101.6: Trustees serve as the University's advocates in the community, among their peers, and use their influence to advance the institution.
- 101.7: Trustees develop and approve policies for the conduct of the Foundation, and consider major issues that come before the Foundation.
- 101.8: Trustees assist in the recruitment of volunteer leadership.

Section 102 – BYLAW DIRECTED FUNCTIONS

The bylaws of the KSU Foundation provide guidelines and instructions for governance by the Board of Trustees and the Executive Committee. The bylaws may be amended as the Executive Committee deems necessary with approval of the amendments by the entire board.

The Foundation's bylaws outline the following:

- a. Trustees: election process for members, voting rights, status changes, member duties
- b. Officers: positions, election of officers, duties and powers of officers
- c. The Board: duties of the board, instructions regarding meetings
- d. Committees: members, responsibilities of committees, creation of new committees, other instructions regarding the governance structure of the Foundation
- e. Specific Instructions: including the annual audit
- f. Miscellaneous: fiscal year, amending the bylaws, interpreting the bylaws

The bylaws may be consulted for more details and are included as Addendum II.

Section 103 – COMMITTEE FUNCTIONS

The committees of the KSU Foundation perform various tasks and functions crucial to the operation of the Foundation. Always mindful of the best interests of the Foundation and the University, the committees are responsible to the Executive Committee and the entire Board of Trustees.

The standing committees of the Foundation, and their duties, are outlined below:

- a. **Executive Committee** – made up of the officers of the KSU Foundation, the Executive Committee is responsible to the Board for the oversight of the Foundation's operations. The Executive Committee monitors progress of each of the standing committees, receives regular reports from the Office of Capital Fundraising on the Foundation's financial status, and informs the Board on issues of concern facing the Foundation and the University. The committee also serves to advise the University President.
- b. **Investment Committee** – responsible for the oversight of all funds and/or investments. This committee monitors the performance of the Foundation's investment strategy and recommends spending levels to the Executive Committee to finance various projects and programs. Reviews revenue and expenditure statements to assist the Executive Committee in meeting the fiduciary responsibility of the trustees. Reviews short-range and long-range financial projections and recommends plans of action to the Executive Committee.

- c. **Audit Committee** – recommends a firm of Certified Public Accountants who are to be used for the annual audit; handles details of the audit; examines the audit report furnished by the CPA firm and reports to the Board; examines the effectiveness of the Foundation’s management of its financial and accounting functions, the Foundation’s system of internal control, and recommends to the Executive Committee and the Board such changes, if any, it deems advisable.
- d. **Committee on Trustees** – recommends members to the Board to serve as officers of the Foundation; recommends community leaders who have expressed interest in higher education and Kennesaw State University to serve on the Board; monitors trustee service and recommends additional terms or termination of members; cultivates prospects for membership; orienting new members, and recognizing outstanding service.
- e. **Scholarship Development Committee** – secures funds for scholarships; assists with the preparation of scholarship agreements with approval of the Executive Committee before execution of any scholarship document.
- f. **Scholarship Administration Committee** – serves as liaison with the Office of Development, and the Office of Financial Aid for the purpose of furthering the Foundation’s goals and objectives for its scholarship program; examines and proposes new scholarship programs to the Executive Committee.
- g. **Strategic Planning Committee** – examines, develops and recommends goals, both short and long-term, and prioritizes in order to direct the Foundation’s future; coordinates Foundation goals and objectives with those of the University.
- h. **Deferred Giving Committee** – secures deferred gifts to the Foundation through efforts of education, assessing markets and serving as advisor to the Foundation and prospective donors.
- i. **Special Projects Committee** – directs and coordinates projects as assigned by the Executive Committee; recommends to the Executive Committee those future projects it deems appropriate.
- j. **Gifts Acceptance and Disposal Committee** – reviews and examines gifts of securities, art work, books, property, equipment, etc. that a donor wishes to give to the Foundation; assesses with the Development Office, any costs associated with accepting the gift; identifies any risks or liabilities to the Foundation created by accepting the gift; recommends the disposition of the gift, etc.; determines and recommends whether the Foundation should accept the gift in the best interests of the Foundation and University.
- k. Other committees may be formed by resolution of the Board.

Section 104 – CONFLICTS OF INTEREST

- 104.1: As soon as duality of interest or possible conflicts of interest on the part of any member of the Board of Trustees is known, or reasonably should have been known, any such conflict shall be disclosed to the Executive Committee and other members of the Board of Trustees and made a matter of record.
- 104.2: Action by the Executive Committee in connection with such interest shall also be disclosed in writing and made a matter of record.
- 104.3: Any member of the Board of Trustees having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter whenever such duality or possible conflict of interest shall arise.
- 104.4: The minutes of that meeting shall reflect that the conflict was disclosed; the party, who is the subject of the conflict, abstained from voting on the matter; and a quorum was present.
- 104.5: If requested by a majority of the Executive Committee, the foregoing requirements shall not be construed as preventing the member who is the subject of the conflict from briefly stating his or her position in the matter, nor from answering pertinent questions from other members of the Executive Committee since his or her knowledge may be of assistance.

200 – FUNDRAISING

Section 201 – FUNDRAISING

201.1: The Kennesaw State University Office of Development is the professional staff support unit to the Kennesaw State University Foundation, Inc. and serves as the official representative of the University on all matters related to private giving.

Any proposed solicitation of private resources by individual faculty, staff, and/or university units on behalf of the Foundation or any of its programs must be coordinated with and approved by the Chairman of the Foundation and the President of the Foundation. This policy is not intended to be restrictive, but rather to insure efficient and effective fundraising by all involved. Individuals or groups who have demonstrated need and desire to engage in fundraising activities are encouraged to do so under the guidelines of this policy.

Gifts in any form, with the exception of in-kind gifts of equipment, etc., obtained and accepted by any member of the faculty, administration, or staff on behalf of the Foundation are to be transmitted to the Foundation, within two days of receipt.

The Foundation will be responsible for depositing gifts into the Foundation checking account.

While the Foundation does not establish policy for Kennesaw State University, recognition of the University's policy that all private fundraising and processing of private funds is conducted through the Foundation, results in concurrence between the University and the Foundation on the matter of coordinated development.

201.2: The Foundation and the Office of Development are responsible for developing, coordinating, and approving all gift agreements.

All proposals for gifts submitted to any private individual, corporation, or foundation will be approved by the Office of Development prior to submission to the funding source.

An internal committee made up of representatives from various units and Kennesaw State University shall coordinate institutional activity relative to prospective sources of funding. A professional and systematic approach will be utilized which will maximize the total efforts of the institution.

201.3: All gifts from the private sector to Kennesaw State University or any unity thereof, or to the Kennesaw State University Foundation, Inc., will be made to the Foundation for comprehensive management. Gifts will be subject to the policies of both the University and the Foundation.

201.4: The Kennesaw State University Foundation, Inc. is vested with the authority to accept and dispose of gifts in accordance with the Foundation policy – and to accept or reject the terms of any gift in the best interest of the University and/or the Foundation. All proposed gifts and agreements must be reviewed by the Kennesaw State University Office of Development. That office will refer proposed gifts which might incur expense, liability, and/or controversy to the Foundation Gift Acceptance Committee who will review the gift and its implications and make a recommendation to the Executive Committee for determination.

Section 202 – GIFT PROCESSING AND ACKNOWLEDGEMENT

In order to provide a margin of excellence for Kennesaw State University, funds must be obtained from unrestricted gifts, endowments, and gifts for specific purposes. These gifts, which assist in providing resources beyond the absolute necessities of higher education, come from different sources such as trustees, alumni, other friends, corporations, faculty and staff, and foundations.

In an effort to expand the University's private giving programs and to assure good donor relations, the Development Office processes and acknowledges all gifts to the Foundation from private sources.

Gifts are usually one of two types: restricted and unrestricted. Restricted gifts are funds limited by donors to specific expenditure purposes, programs, or college units. These funds will be used in compliance with all regulations and restrictions made by the donor.

Unrestricted gifts are funds available for financing the Foundation's current programs and University needs and are not limited by donors for any specific purpose.

The Foundation follows these procedures:

202.1: The Foundation is responsible for the receipt of all gifts to the KSU Foundation. The Development office is responsible for the processing and acknowledgment of all gifts.

202.2: All gifts for deposit to the KSU Foundation should be made payable to the KSU Foundation. Any gift made payable to Kennesaw State University which is intended as a gift to the Foundation shall be transmitted with the appropriate documentation to the Vice President for Financial Affairs for the University for deposit. The Vice President for Financial Affairs shall re-issue the check made payable to the KSU Foundation.

202.3: Any office on campus that receives a gift to the Foundation must forward the gift to the Foundation within two working days.

202.4: Upon receipt of a cash gift, whether restricted or unrestricted, the Foundation shall:

- a. Prepare transmittal forms to record receipt of the gift
- b. Deposit all gifts to the appropriate Foundation account

The Development office shall

- a. Enter the gift and all relevant information on a permanent, confidential donor's record
- b. Prepare a letter or letters of acknowledgement and appreciation to the donor;
- c. Prepare daily and monthly reports of all gifts received.

202.5: All donors shall receive an acknowledgement letter from the Director of Development. Donors of gifts of \$1,000.00 or more also receive a letter of appreciation from the President of the Foundation and/or the Vice President of University Development. The President of the Foundation may, at his discretion, make exceptions to the acknowledgement procedures listed in this paragraph on a case by case basis.

202.6: The Development Office serves as the Foundation's matching gift coordinator. The Office of Development shall verify receipt of the gift and certify that the gift is eligible for match based on the company's matching gift policy. All matching gift forms must be sent to the Development Office for completion and handling.

202.7: The original donors who establish scholarships will be notified of additional gifts to their scholarships by other donors.

202.8: Gifts of securities, artwork, books, property, etc., must be approved by the Foundation's Gift Acceptance and Disposal Committee before they can be accepted by the Development Office acting as the Foundation's representative. All rules and regulations of the IRS must be adhered to concerning appraisals, tax deductibility, sales of gifts in kind, etc. Generally, a third party independent appraisal of the gift must be secured by the donor. No University employee or member of the Board of Trustees can appraise the gift, nor can Foundation funds be used to pay for appraisals (see also Committees – Gift Acceptance and Disposal). These gifts shall be recorded and acknowledged as stated above. The Gift Acceptance and Disposal Committee, in concert with the Executive Committee and the University's Development Officers, shall decide the disposition of such gifts.

202.9: The Development Office shall prepare an annual report listing the names of donors of all gifts to the Foundation. The amount of the individual gifts will not be shown in this report. The Development Office, at its discretion, can arrange for additional publicity in accordance with the desires of the donor.

Section 203 – DEFERRED GIFTS

In addition to gifts of cash and property, which offer immediate benefits to Kennesaw State University, deferred gifts are accepted by the Foundation. Deferred gifts are an excellent way to experience today the personal satisfaction of making a significant gift to KSU that will benefit the University in the future. Deferred gifts are also an excellent tool for estate planning, obtaining investment diversification, increasing income, and reducing state and federal income and estate taxes.

Various deferred gifts that are accepted by the Foundation include:

- ◆ Bequest in the donor's will to KSU Foundation, specifying a specific dollar amount or a percentage portion or residual of the donor's estate.
- ◆ Naming the Foundation as owner and beneficiary of a life insurance policy, offering the donor a tax deduction.
- ◆ Various types of trusts which provide income, tax deductions, and other advantages to a donor while making substantial gifts to the Foundation.

Individuals interested in making a deferred gift are encouraged to discuss the gift and terms with the Foundation or the Office of Development staff, and to seek legal and financial advice from their own attorney or financial planner. In addition, such gifts and their terms must be accepted by the KSU Foundation's Gift Acceptance Committee and the Executive Committee in concert with the Development Office. The Foundation's legal counsel may be consulted if appropriate.

Donors are encouraged to recognize that over the many years following the establishment of a deferred gift that the needs, policies and circumstances of the University may change in ways that cannot be anticipated. The administration of the University must have the flexibility to use funds in the University's best interests while following the donor's wishes and specifications. Therefore, donors are requested to formulate and describe the specific purposes of their gifts in the broadest terms possible and are urged to consult with the KSU Development Office personnel as representatives of the University and the Foundation in the formulation process.

Section 204 - GRANTS

204.1: Proposals to any private sector entity, corporation, or foundation will be coordinated through the President of the Foundation or the Office of Development and approved by that office prior to submission.

204.2: Proposals to federal, state, and/or local governmental funding agencies that require "matching" or similar support, beyond university resources, must be coordinated with the President of the Foundation or the Office of Development as the representative of the Foundation.

204.3: All funds from corporations and foundations whether referred to as grant or a sponsorship shall be deposited in the appropriate Foundation account.

204.4: Grant writers are encouraged to discuss possible funding sources for grant proposals with the Foundation staff during the early stages of development of the grant proposal.

Section 205 – NAMING OF PROGRAMS AND FACILITIES

205.1: The Kennesaw State University Foundation shall adhere to the guidelines of the Board of Regents of the University System of Georgia concerning the establishment, announcement, and funding of all chairs, professorships, fellowships, lecture, or seminar series and facilities at the University that involve the Foundation.

205.2: No endowed chair, professorship, fellowship, or lecture series will be established or announced without prior approval of the Board of Regents and the Foundation's Executive Committee, and appointments will be made to chairs and professorships by the University with prior approval by the Board of Regents.

205.3: The categories of endowed academic positions along with the Board of Regents' minimum funding levels for a university are listed below:

Distinguished Chairs	\$500,000
Chairs	\$300,000
Distinguished Professorships	\$200,000
Professorships	\$100,000
Distinguished Scholar	\$50,000
Fellowships	\$30,000
Lecture or Seminar Series	\$30,000

These amounts are reviewed periodically by the Chancellor and may be revised.

205.4: The Executive Committee will negotiate a management fee or gift split percentage between the operating accounts and the restricted account such gifts enhance or establish.

205.5: Fundraising initiatives by University units involving named entities will be governed first by the rules of the Board of Regents, and will be coordinated with the President of the Foundation and the Executive Committee as to the required gift amount, donor cultivation, and solicitation procedures and the Foundation's management fee. Such coordination will present a unified effort to a prospective donor.

300 – MANAGEMENT

Section 301 – ACCOUNTS MANAGEMENT

301.1: The Foundation accounting system shall utilize three types of accounts. These are:

- a. **Operating Account:** This account is funded by unrestricted gifts and is for the purpose of funding the annually established budget for the programs and activities of the Foundation. The account is maintained and managed within the Foundation Office.
- b. **Restricted Account:** This account is funded by gifts restricted to specific departments or purposes. Expenditure decisions are made by department/program heads and are implemented and overseen by the professional Foundation staff. The account is maintained and managed within the Foundation Office.
- c. **Portfolio Account:** This account is made up of endowed, unrestricted, and restricted funds. Distribution is made upon request and funds are expended in a manner consistent with gift agreements in the case of restricted funds and for operating functions in the case of unrestricted funds. This account is managed by professional money managers and is overseen by the Foundation Investment Committee.

301.2: Funds that are not considered to be endowments may be placed within the portfolio in order to obtain a stronger investment rate of return.

301.3: All accounts are managed through commonly accepted practices of fund accounting.

Section 302 - FUNDING AND REIMBURSEMENT

302.1: All requests for Foundation funding must be pre-approved.

302.2: The form “Request for Foundation Funding” must be used to request expenditure of funds. The form must be signed by the person requesting funding, the dean/division head, and/or the Foundation President. The form must be sent to the Foundation for disposition.

302.3: All receipts, invoices, and any other supporting documentation must accompany the request for reimbursement. The Foundation will retain the documentation for audit purposes.

302.4: The Foundation will not be responsible for any expenditure of unrestricted funds that have not been pre-approved.

302.5: No Foundation funds should be used for expenditures when other sources of funds are available.

Section 303 – EXPENDITURES

303.1: The Board of Trustees and the Executive Committee shall approve an annual budget developed by the professional staff, which shall direct the expenditures for the year.

303.2: Funds shall be expended in a manner consistent with the approved budget and exceptions shall be made only by approval of the Executive Committee of the Foundation.

303.3: It shall be the responsibility of the Chairman of the Foundation and the President of the Foundation, working with staff and members of the Executive Committee to determine the appropriateness of expenditures deemed to be in the best interest of the University and the Foundation, and to promote the visibility, presence, and credibility of Kennesaw State University and the Kennesaw State University Foundation in the broader community.

303.4: No Foundation funds shall be provided for activities, programs, events, or functions when other sources of funds exist and/or are available (i.e., state funds, student activity funds, etc.).

303.5: No Foundation funds shall be expended for personal or non-job related expenses.

303.6: The Finance Committee will review monthly the expenditures of Foundation funds.

303.7: Requests for support of fundraising events from other organizations at the University is judged on a case-by-case basis by the Executive Committee based on the recommendation of the professional staff.

Section 304 – FUND DISTRIBUTION

304.1: Checks to disburse Foundation funds shall be prepared by the Foundation's bookkeeper, and in his/her absence, by an authorized member of the Foundation staff.

304.2: All check requests must have proper documentation, including the "Request for Foundation Funding" form with required signatures, and all receipts to support the expenditure.

304.3: Foundation disbursement checks require two authorized signatures: one from the Foundation treasurer and one from the President of the Foundation.

304.4: Checks will be prepared and issued expeditiously upon compliance with the policies and procedures.

Section 305 – MANAGEMENT FEE

The Executive Committee of the Foundation, at its discretion, will review and recommend, at least annually, a management fee assessed on various types of accounts the Foundation administers. The management fee covers, in part, the cost of development, investment, fund management and administration, and should supplement the operating/programmatic budget of the Foundation.

The management fee can be assessed on investments, restricted funds, and other categories as the situation warrants.

Section 306 – GIFT SPLIT DETERMINATION

306.1: The Foundation and the Development Office will serve as the central locations for fundraising at Kennesaw State University, and the KSU Foundation is responsible for the management of funds raised. The Foundation will receive, IN SOME CASES, a percentage of gift income that is raised for special projects, initiatives, programs, and purposes.

306.2: The KSU Foundation Executive Committee, cooperatively with KSU's President, the Office of Development, and the project leadership will determine the distribution of funds between the project entity and the Foundation on a case-by-case basis. The determining factor shall be the degree of overall University and Foundation input, and participation and application of personnel and financial resources to each project.

Section 307 – EMPLOYMENT AND REMUNERATION

307.1: The Foundation may engage short-term services, which will be paid on a voucher basis and will subsequently issue a Form 1099 in February of each calendar year.

307.2: No member of the Board shall be paid any salary or any remuneration for their services associated with the Foundation, but they may be reimbursed for any authorized expense incurred while handling the business of the Foundation, provided, however, that such expense has received prior approval from the Foundation.

307.3: The Foundation and Development Office staff members may be reimbursed under the Foundation's reimbursement policy for expenses incurred while handling the business of the Foundation.

307.4: No expenses shall be reimbursed by the Foundation if the expense is personal or if the expense is eligible for payment by university (state) funds.

307.5: Remunerated participation related to a project funded by a restricted gift is permissible with the remuneration paid from the project's restricted funds. The project manager is responsible for all aspects of this process, including engaging the participant, outlining his/her duties, monitoring his/her progress, termination, etc. When the project is complete, the Foundation will no longer be responsible for any project participant's remuneration.

307.6: Salary supplements may be paid to holders of endowed chairs and professorships established with restricted gifts, which stipulate such purpose. The Foundation will not directly pay the faculty or staff member but rather on an annual basis transmit the chair or professorship endowment earnings to the University's Office of Business Services for payment to the recipient in accordance with University personnel policies and procedures.

Section 308 - INVESTMENT POLICY

The KSU Foundation's scholarship funds and other specific endowments are held in trust by an independent investment manager and regulated by the Foundation's Investment Committee. The independent investment manager is retained by the Executive Committee upon the recommendation of the Investment Committee. Performance is evaluated by the Investment Committee.

The Foundation's Investment policy, as adopted by the Investment Committee, is as follows:

- a. To preserve capital
- b. To maximize total return
- c. To maintain sufficient liquidity
- d. To invest in high quality securities
- e. To diversify in fixed income securities
- f. To review the asset mix (cash reserves vs. fixed income) periodically
- g. To consistently reinvest 10% (or more, according to donor's wishes) into the corpus for growth, awarding or disbursing the remaining 90%.

The committee shall meet quarterly with the investment manager to review reports, discuss strategy and determine amounts available for scholarship awards. The committee shall submit a report of the year's activities to the entire board at the Foundation's annual meeting.

Section 309 – DISPOSITION OF SECURITIES AND REAL PROPERTY

309.1: The general policy of the Foundation is to convert securities to cash immediately upon receipt of a gift. However, in special circumstances upon the recommendation of the Investment Committee, securities and real property can be held for a specified period of time.

309.2: Disposition will be conducted in accordance with procedures outlined in the bylaws by authorized Foundation Officers.

Section 310 – INVENTORY

The Foundation maintains only very selected items on its balance sheet, e.g., artwork.

Therefore, when purchases of \$1,000.00 or more are made from either the operational budget or by project managers from restricted funds, the purchased item will be considered equipment and will be given to the University for inclusion on the University's inventory. This is consistent with University inventory policy.

Section 311 – NON-GIFT FINANCIAL ACTIVITIES

311.1: The Foundation serves as a conduit for funds that are not considered gifts but rather sponsorships, ticket purchases, etc. which are relative to university-related projects and programs.

311.2: The Foundation will assess a modest management fee for services rendered to non-gift financial activities. The fee will be negotiated on a case-by-case basis by the professional Foundation staff.

400 – PROGRAMS

Section 401 – SCHOLARSHIPS

The KSU Foundation emphasizes merit-based awards and funds for categories of scholarships based on the corpus level and funding source. These are:

1. Scholarships funded by the annual operating budget, which include Honors Scholarships, Freshman Honors Scholarships, and discipline-specific scholarships.
2. Named Scholarships funded by line accounts within the Foundation's investment portfolio.
3. Endowed Named Scholarships funded by line accounts within the Foundation's investment portfolio with a guarantee of corpus integrity and perpetuity. Endowed Named Scholarships require a corpus of at least \$10,000.
4. "In and Out" Named Scholarships funded on an annual basis for which the Foundation has no financial management responsibility beyond serving as a conduit for incoming funds which are distributed in total each year.

401.1: SCHOLARSHIP ESTABLISHMENT

- a. Scholarships funded by the operating budget are established through recommendations of the Executive Committee as a part of the budget development process.
- b. Named scholarships are established by action of the Executive Committee at any time. Line items carrying the donor's or a designated name are not established within the Foundation's investment portfolio without total compliance with Foundation policies and approval of the Executive Committee.
- c. Named scholarships are of two types:
 1. Named scholarships – these line items are created at any corpus amount. They are considered quasi-endowments until such time their corpus reaches the required level for full endowment.
 2. Endowed named scholarships – these line items carrying the donor's or a designated name carry the commitment by formal declaration of the Executive Committee to guarantee the

scholarship's existence in perpetuity. These line items carry the word "endowed" in the official name of the scholarship.

- d. Endowed and named scholarships are established by written agreements between the Foundation and the donor(s). These agreements specify:

- The name of the scholarship
- The purpose of the scholarship
- Investment treatment
- Criteria for selection of recipient(s)
- Selection committee composition
- Other specific requirements of donor(s)
- Provisions for alternative treatment of corpus
- Statement of reinvestment in corpus

- 1. The agreements are executed by both the Foundation and Kennesaw State University.
- 2. Agreements do not specify the percentage or amount of corpus reinvestment. The determination of reinvestment level is recommended by the Foundation's Investment Committee and approved by the Executive Committee on an annual basis.
- 3. The Foundation Executive Committee declares a scholarship endowed when the corpus reaches \$10,000.

401.2: AMOUNT OF SCHOLARSHIP AWARDS

- a. The number of scholarships funded by the operating budget and the amount of scholarship appropriations to specific disciplines and/or programs are determined by the Executive Committee upon consideration of projected or available resources. These determinations are submitted to the entire board of trustees as part of the annual budget development and adoption processes.
- b. The amount available or distribution from each named scholarship is determined annually by the Investment Committee and approved by the Executive Committee.

401.3: RECIPIENT SELECTION AND COMMUNICATION

- 1. The Foundation delegates the responsibility of annually determining recipients of both operating budget scholarships and named and endowed scholarships to Kennesaw State University.

2. The Office of Development informs all scholarship administrators at the University of the number of scholarships and the amount of each scholarship on an annual basis. The University determines which student will be awarded each scholarship and informs the Foundation of these selections in writing prior to the students being informed.
3. The Office of Student Financial Aid informs the student in writing of the award he/she will receive in the forthcoming year. This letter stipulates the amount and the funding source, i.e., name of scholarship.
4. The Office of Student Financial Aid requests that the students express appreciation to the scholarship donor (or Executive Committee for operating budget funded scholarships) in writing.
6. The Foundation strongly encourages the student to attend, at no cost, any functions designed for both scholarship donors and recipients unless important circumstances so preclude.

401.4: POLICY ON EMINENT SCHOLAR MATCHING TRUST FUND CHAIRS

1. Eminent Scholar Chairs approved and matched by the Board of Regents of the University System of Georgia must maintain a fund balance of \$1-million at all times. This fund balance of \$1-million does not include management fees or a reinvestment factor. Investment income from a Chair may be used at the discretion of the Chair holder for salary supplements, travel, secretarial assistance, office supplies, and so forth. The Chair holder will be responsible for monitoring the balance of the Chair account.
2. Annually, the Foundation will review and establish a pay out rate for each Eminent Scholar Chair.
3. Should the account fall below \$1-million, the Chair holder will be responsible for regenerating the funds (through fund raising initiatives, investments, etc...) to bring the account to good standing.

401.5: DISTRIBUTION OF FUNDS

1. Awards are not distributed directly from the Foundation but rather through the University's Office of Business Services.
2. The Office of Student Financial aid provides Business Services with a list of scholarships, recipients of each and the appropriated amount for the forthcoming academic year.

3. The Office of Business Services receives, upon request, one half of each award in lump sums payable prior to each academic registration.
4. Distributions are made in accordance with the original list of recipients and the amount each is to receive.
5. Any scholarship funds not distributed due to a student's withdrawal from school, failure to register, or any other reason will be returned by the Office of Business Services to the Foundation no later than the middle of the term in which no distribution was made.
6. The Executive Committee will determine the disposition of these unused funds on the recommendation of the staff. The Executive Committee defers this decision to the Office of Development if an alternative recipient is identified by that office.
7. Under no circumstances will the Foundation make scholarship awards for which a written agreement does not exist.
8. The Foundation will not honor the commitment for funds made by anyone other than the Executive Committee.

401.6: INSTITUTIONAL COORDINATION

1. The Foundation's Chairman, President, and Executive Officer shall have full power and authority to manage and conduct all of the daily operations and affairs of the Foundation (See Addendum II, Bylaws, article V.4).
2. The coordination between the Foundation and Kennesaw State University administrative units such as the Office of Financial Aid, the Office of Business Services, and the Kennesaw State University Honors and Awards Committee, shall be the responsibility of the President of the Foundation.
3. Scholarship budget recommendations to the Scholarship Administration Committee, the Executive Committee, and the full Board are the responsibility of the Chairman and/or President of the Foundation.
4. Staff support to the Scholarship Administration Committee, the Executive Committee, and the Full Board relative to the scholarship program is the responsibility of the Executive Secretary.

Section 402 RECRUITMENT SUPPORT

402.1: The KSU Foundation shall budget funds each year for the reimbursement of certain expenses associated with administrative and teaching faculty recruitment. The following guidelines shall be used for reimbursement based upon typical requirements at each level of recruitment. Excess expenses should normally be reimbursed through other sources or absorbed by the recruiting department.

<u>Position Recruited</u>	<u>Foundation Support</u>
Full-time Permanent Teaching Faculty & Admin. Dept. Head/Director (3 finalists + 4 from KSU for lunch each time x \$50 per lunch)	\$150
Academic Dept. Chair & high level Administrative Department Head (3 finalists plus 4 from KSU for lunch each time @ \$50 per lunch) (3 finalists plus 2 from KSU for dinner each time @ \$75 per dinner)	\$375
Deans (5 finalists plus 4 from KSU for lunch @ \$50 per lunch) (5 finalists plus 5 from KSU for dinner @ \$180 per dinner	\$1,150
Vice Presidents (5 finalists plus 4 from KSU for lunch @ \$50 per lunch) (5 finalists plus 7 from KSU for dinner @ \$240 per dinner Refreshments for one reception @ \$150	\$1,600

402.2 Administrators should seek prior approval for recruitment support as soon as the need to conduct a search is determined. The Foundation shall not exceed its approved line item amount for recruitment. No recruitment funds will be distributed once the line has been depleted and/or encumbered in and for any given fiscal year.

ADDENDUM I

LETTER OF AGREEMENT

This Letter of Agreement is entered into this _____ Day of _____, 1990, by and between the President of KENNESAW STATE UNIVERSITY on behalf of KENNESAW STATE UNIVERSITY (hereinafter “KSU”) and the KENNESAW STATE UNIVERSITY FOUNDATION, INC., (hereinafter “Foundation”).

KSU recognizes that the Foundation is organized for the express purpose of providing support to KSU or support programs and activities carried out by KSU. KSU recognizes this special relationship and provides, within the limits of resources available, support for the Foundation’s activities.

The Foundation is separately incorporated non-profit organization which conforms to the laws and regulations established by the State of Georgia and regulated by the Secretary of State. The Foundation agrees to adhere to all regulations governing non-profit charitable corporations in the State of Georgia.

KSU agrees that the Foundation may identify the relationship between KSU and the Foundation must be in the best interest of KSU as determined by the President of KSU and as required by the Board of Regents’ Policy.

The Foundation agrees that the relationship between KSU and the Foundation must be in the best interest of KSU as determined by the President of KSU and as required by the Board of Regents’ Policy.

The Foundation agrees that the financial records of the Foundation, including any audits, are available for inspection by the President of KSU or the President’s designees. Furthermore, the foundation agrees that funds raised, managed, or held in the name of, or on behalf of KSU are being handled properly and in the best interest of KSU as determined by the President of KSU or the President’s designee.

The Foundation agrees to annually present evidence satisfactory to the President of KSU or the President’s designee that the Foundation is adequately capitalized for any activities undertaken in the name of, for the benefit of, or in conjunction with KSU.

The Foundation agrees that the action of KSU's officials, faculty, staff, or employees pursuant to the relationship are consistent with policies established by the Board of Regents and KSU regarding conflicts of interest, outside activities, and other matters.

KSU agrees that the Foundation is a lawful entity under the laws of Georgia and that the Foundation is solely governed by its own board of directors, trustees, and officers.

KSU agrees to present to the Foundation's governing body a request for funding at the annual meeting or at a meeting called for that purpose.

KSU agrees to utilize all funds in such a way as to never endanger the Foundation's exempt status as determined by the Internal Revenue Service code governing 501 (c) (3) public charities.

This agreement shall continue in full force and effect until terminated by either party upon ninety (90) days written notice to the other party.

President, Kennesaw State
University Foundation, Inc.

Date

President, Kennesaw State University

Date

Signed original on file

ADDENDUM II

KENNESAW STATE UNIVERSITY FOUNDATION, INC.
Bylaws (as amended)

ARTICLE I

All business of this Foundation shall be conducted by a Board of Trustees, hereafter called “The Board”, subject to the provisions of these Bylaws.

ARTICLE II

The Foundation was established as a non-profit corporation under the laws of the State of Georgia and is organized and operated for the express purpose of providing support to Kennesaw State University, including support of the programs and activities carried out by the University.

ARTICLE III

1. Members

A. Voting Members

The voting members of the Board of this Foundation shall at all times consist of not less than thirteen (13) and not more than sixty-five (65) members who shall be elected upon receiving a majority vote of the Board. Included among the voting members shall be the President of the Foundation (Senior Advisor to the President of Kennesaw State University), and the President of Kennesaw State University, the latter of which shall become an ex officio member of the Board after his/her term of President of the University has expired.

B. Non-Voting Members

In addition to the voting members of the Board, there shall be an ex officio member, which is the Vice President for Advancement.

The Vice President of Advancement will serve as Executive Secretary of the Foundation. Ex officio members shall be entitled to all the rights and privileges of the Board except the right to vote.

C. Successors

Initially, the incorporators who shall constitute the first Board of Trustees shall fix their terms of membership so that the terms of one-third of the total Board of Trustees will be for one (1) year, one-third for two (2) years, and one-third for three (3) years. A regular term is three years.

The Board, at its annual meeting, may elect successors to the Board whose terms have expired. It shall require a majority vote to fill a vacancy.

Additional Trustees may be elected at any time as outlined above, provided that the total number of voting members does not exceed sixty-five (65). The term of each additional Trustee shall be fixed at the time of their election so as to maintain the number whose term shall expire in any given year as closely to one-third of the total membership as possible.

D. Trustee-Emeritus

Any member of the Board who has served at least three (3) full terms, may, at any regular or specially called meeting of the Board, by a majority of those voting, be elected to the position of Trustee-Emeritus. Any member who attains the age of seventy (70) years while serving on the Board shall, at the conclusion of the annual meeting of the Board following his or her attainment of such age, become a Trustee Emeritus. The Executive Secretary shall notify, in writing, persons who have become Trustee-Emeriti.

Those members elected as Trustee-Emeritus shall be entitled to attend, and shall receive notice of, all meetings of the Board and shall have every privilege of regular membership except the right to vote. Trustee-Emeriti shall not be included when determining the number of voting members as outlined in Section I. A. above.

E. Honorary Trustees

Additional Trustees may be elected to the position of Honorary Trustee upon receiving a majority vote of the Board. The Honorary Trustee shall be elected for a term of four years. Those members elected to this status shall not be included for purposes of calculation of total number of Trustees allowed pursuant to Article III, Section 1. A. The Honorary Trustee shall have every privilege of a regular membership except the right to vote.

ARTICLE IV – OFFICERS

1. Offices

The offices of the Foundation shall be:

Chairman of the Board;
President (Chief Executive Officer);
Executive Vice President;
Executive Secretary;
Treasurer;
Immediate Past President; and
Chair of the Finance Committee

The Board may also establish such other offices and elect officers as it may deem advisable. Said offices shall be created by a majority vote of the Board.

2. Election of Officers

The Board shall elect the officers at the annual meeting by a majority vote of those voting members in attendance at such annual meeting. Each officer selected shall hold office for a two-year term, beginning July 1 until June 30 of the second year, or until a successor has been duly elected and qualified. In the event of a vacancy during the period for which an officer has been elected, the Board shall, within 60 days, fill such vacancy at any regular or special meeting by a majority vote of those members in attendance at such meeting.

3. Compensation

No member of the Board shall be paid any salary or any remuneration for their services associated with the Foundation, but they may be reimbursed for any authorized expense incurred while handling the business of the Foundation, provided, however, that such expense has received prior approval from the Executive Committee.

ARTICLE V – POWERS OF OFFICERS

1. General

All officers shall report to the Board any matters affecting the interest of the Foundation whenever requested by the Board. All officers and employees of the Foundation shall be fully bonded to any extent, which shall, from time to time, be established by the full Board.

2. Chairman of the Board

The Chairman of the Board shall preside at all meetings of the Board at which the Chairman is present, shall have general and active management authority of the business of the Foundation, shall appoint such committees as the Board may approve, and shall be the ex officio member of all committees. The Chairman of the Board and the President and Chief Executive Officer of Kennesaw State University Foundation shall have the power to sign, on behalf of the Foundation, all deeds, bonds, contracts, agreements, and all similar documents including all checks on its bank accounts.

3. President

The Senior Advisor to the President of Kennesaw State University shall serve as the President and CEO of the Kennesaw State University Foundation. This officer shall have full power and authority to manage and conduct all the daily operations and affairs of the Foundation subject to the direction and supervision of the Chairman of the Board. He shall not have authority, as such, to withdraw any deposits or funds of the Foundation, or to borrow money, except by direction of the Executive Committee.

4. Executive Vice President

In the absence of the President, the Executive Vice President shall have the powers of the President and shall perform such duties as shall from time to time be imposed upon him by the Board.

5. Executive Secretary

The Vice President for Advancement for Kennesaw State University shall serve as Executive Secretary. The Executive Secretary shall keep the minutes of all meetings of the Board and shall give all notices required by the Bylaws and the Charter of the Foundation. The Executive Secretary shall maintain custody of such books, papers, and records of the Foundation as required and, at reasonable times, shall make these records open for examination by the Board and/or officers of the Foundation. The Executive Secretary shall attend the annual meeting of the Foundation and all meetings of the Board. The Executive Secretary shall keep, on record, a copy of the Charter of the Foundation and a copy of the Bylaws. The Executive Secretary shall present a written report of the conduct of his office at each annual meeting. In general, he shall perform all the duties incident to the office of a secretary of a corporation, subject at all times to the direction and control of the Board.

6. Treasurer

The Treasurer shall have custody of the funds and securities of the Foundation, including bonds, deeds, certificates of stocks, and all other papers and documents relating to the property of the Foundation. Any funds in his custody belonging to the Foundation shall be kept in a bank

account(s) in the name of the Foundation, as shall from time to time be designated by the Board. All disbursements therefrom shall be made by checks signed by the President or, in his absence, the Executive Secretary of the Foundation, **and either** the Treasurer, the Chairman, the Executive Vice President, or the immediate past President of the Foundation.

From time to time, the Treasurer shall report to the Board at its meetings with respect to all funds and property of the Foundation and as to the Foundation's receipts, contributions, and recipients of contributions from the Foundation.

An independent audit of the Foundation will be performed as soon as practical after the close of each fiscal year and the results of such audit shall be reported to the Executive Committee at its next regularly scheduled meeting and at the following annual meeting of the Board.

ARTICLE VI – DUTIES AND MEETINGS OF THE BOARD

1. Duties

The Board shall regulate and supervise the entire management and control of the Foundation and shall be vested with all powers of the Foundation. The Board shall attend to all internal affairs of the Foundation and shall make arrangements for carrying on the business, as it deems best.

2. Annual Meeting

The annual meeting of the Board shall be held each year during the month of September or October, on a date to be determined by the Board. At said annual meeting, members shall be elected and such other business as may be brought before the meeting may be transacted. Additional regular meetings may be scheduled at such intervals as is determined appropriate by a majority of the Board.

3. Special Meetings

Special meetings of the Board may be called by the Chairman, or in his or her absence, the Executive Vice President, or by a majority of the Board at such time and place as shall be designated by the Chairman or the Executive Vice President.

4. Notice

Notice of meetings of the Board shall be given in writing at least fifteen (15) days prior to all regular meetings and at least three (3) days prior to a special meeting. In the event of a special meeting, the notice shall state the time, place, and purpose of the meeting and discussions

at special meetings shall be limited to those topic(s) as are stated in the notice of such a special meeting.

5. Waiver

Notice of any meeting may be waived by a majority vote of the members present.

6. Quorum

At any meeting of the Board, a majority of the membership entitled to vote, represented in person, shall constitute a quorum. If a quorum is not present, those members present may adjourn to a date they agree upon.

ARTICLE VII – COMMITTEES

1. Executive Committee

There shall be an Executive Committee consisting of the officers of the Foundation as outlined in Article IV, Section 1 above. This committee shall have such powers and duties as the Board shall, from time to time, prescribe.

A. Meetings

The President, Chairman of the Board or in their absence, the Executive Vice-President, may call meetings of the Executive Committee. Notice of all meetings of the committee may be given not less than three (3) days prior to the date of such meeting and said notice shall be given in writing or orally. Meetings of the Executive Committee may be held at any reasonable place and time as may be specified in the notice.

B. Powers of the Executive Committee

1. The Executive Committee shall have express authority to receive, on behalf of the Foundation, any property (real or personal), which, in its sole discretion, deems to be in the best interest of the Foundation.

2. The Executive Committee is authorized to expend non-budgeted funds for specific purposes as it, from time to time, deems appropriate provided, however, that such expenditures should be in the best interest of the Foundation as determined by the Executive Committee. A simple majority vote of the Executive Committee shall have authority to act for the committee.

C. Quorum

At any meeting of the Executive Committee, a majority of those Committee members entitled to vote, represented in person, shall constitute a quorum. If a quorum is not present, those members present may adjourn to a date they agree upon.

2. Finance/ Investment Committee

There shall be a standing committee known as the Finance Committee composed of not less than three (3) Trustees appointed by the President. The Finance Committee is responsible for directing the investment of the Foundation's funds and assets.

3. Audit Committee

An Audit Committee shall be appointed by the President to serve for the following fiscal year. The committee shall consist of three (3) voting members who shall elect their own chairperson and none of whom shall be an officer of the Executive Committee of the Foundation.

The Audit Committee shall recommend to the Board a firm of Certified Public Accountants who are to be used for the annual audit; shall handle all negotiations and details concerning the audit with the Certified Public Accountants approved by the Board; shall examine and inquire into the audit report furnished by such Certified Public Accountants and make an annual report to the Board; shall inquire into the effectiveness of the Foundation's management of its financial and accounting functions and the Foundation's system of internal control; and shall recommend to the Board such changes, if any, it deems advisable.

4. Nominating Committee

There shall be a standing committee known as the Nominating Committee composed of not less than three (3) voting Trustees appointed by the Chairman of the Board. The President shall appoint one of the committee members to serve as chairperson. The Nominating Committee is responsible for: (1) recommending members of the Board to serve as officers of the Foundation, and (2) recommending community leaders, who have expressed interest in higher education and Kennesaw State University, to serve on the Board.

5. Scholarship Committee

There shall be a standing committee to be known as the Scholarship Committee composed of not less than three (3) voting Trustees appointed by the Chairman of the Board. The President shall appoint one of the members to serve as chairperson. The Scholarship Committee is responsible for directing the Foundation's scholarship program including scholarship agreement, preparation, and execution.

6. Special Projects Committee

There shall be a standing committee to be known as the Special Projects Committee composed of not less than three (3) voting Trustees appointed by the President of the Board. The Chairman shall appoint one of the members to serve as chairperson. The Special Projects Committee is responsible for: (1) directing and coordinating projects as requested by the Executive Committee and, (2) recommending to the Foundation those future projects it deems appropriate.

7. Annual Fund Drive Committee

There shall be a standing committee known as the Annual Fund Drive Committee composed of not less than three (3) voting Trustees appointed by the Chairman of the Board. The Chairman shall appoint one of the Committee members to serve as chairperson. The Annual Fund Drive Committee is responsible for directing the Foundation's annual fundraising campaign.

8. Other Committees

The Board, by resolution, may provide for such other committees with powers and duties it shall deem appropriate and the Chairman of the Board shall appoint all such committee members.

ARTICLE VIII – FISCAL YEAR

The fiscal year of the Foundation shall run from July 1st through June 30th of each year.

ARTICLE IX – MISCELLANEOUS

1. Principal Office

The principal office of the Foundation shall be within Cobb County, Georgia, at a place to be designated by the Board.

2. Seal

The Seals of the Foundation shall have inscribed thereon the name of the Foundation, the year of its incorporation, and the words "Corporate Seal, Georgia." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, or reproduced.

ARTICLE X – AMENDMENTS

Bylaws of the Foundation may be altered or amended and additional Bylaws adopted by a simple majority vote of those voting members present at any regular or special meeting of the Board, provided that in the notice of said regular or special meeting the proposed amendment or new Bylaw shall be set forth verbatim, or by a three-fourths (3/4) vote of any Board meeting having a quorum where the notice of such amendment or new Bylaw is not so given. A minimum of fifteen (15) days written notice of a proposed amendment shall be required before the bylaws may be amended.

ARTICLE XI – INTERPRETATION OF BYLAWS

The Board shall have the authority to interpret and construe these bylaws.

ADDENDUM III

