

**Memorandum of Understanding 2012
between
Winthrop University and the Winthrop University Foundation, Inc.**

THIS AGREEMENT, entered into as of this seventh day of December, 2011, by and between Winthrop University and the Winthrop University Foundation.

The Winthrop University Foundation was organized and incorporated in 1973 for the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of Winthrop University.

The Foundation exists to raise and manage private resources supporting the mission and priorities of Winthrop University, and provide opportunities for students and a margin of institutional excellence unavailable with state funds.

The Foundation is dedicated to assisting the University in the building of the endowment and in addressing, through financial support, the long-term academic and other priorities of the University.

As stated in its articles of incorporation, the Foundation is a separately incorporated 501(c)(3) organization and is responsible for identifying and nurturing relationships with potential donors and other friends of Winthrop University; soliciting cash, securities, real and intellectual property, and other private resources for the support of Winthrop University; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities.

Furthermore, in connection with its fund-raising and asset-management activities, the Foundation retains personnel experienced in planning for and managing private contributions and works with the University to assist and advice in such activities.

In consideration of the mutual commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

Foundation Name, Seal and Logotype

Consistent with its mission to help to advance the plans and objectives of the University, the Foundation is granted the use of the name, Winthrop University however, the Foundation will operate under its own seal and logotype and shall not use the University seal or other identifying marks in the promotion of its business and activities without the permission of Winthrop University.

Institution or System Governance

- The Board of Trustees of Winthrop University is responsible for overseeing the mission, leadership, and operations of the University.
- The Board of Trustees is responsible for setting priorities and long-term plans for Winthrop University.
- The Board of Trustees is legally responsible for the performance and oversight of all aspects of Winthrop University operations.
- The Board of Trustees is responsible for the employment, compensation, and evaluation of all Winthrop University employees, including the President.

The Foundation's Relationship to the Institution

- The Winthrop University Foundation is a separately incorporated 501(c)(3) nonprofit organization created to raise, manage, distribute, and steward private resources to support the various missions of the University
- The Winthrop University Foundation Board of Directors is responsible for the control and management of all assets of the Foundation, including the prudent management of all gifts consistent with donor intent.
- The Winthrop University Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that clearly address the board's fiduciary responsibilities, including expectations of individual board members based upon ethical guidelines and policies.
- The Winthrop University Foundation is responsible for the employment, compensation, and evaluation of all its employees. The Winthrop University Foundation may provide input and feedback on the employment, compensation, and evaluation of Winthrop University employees who work most directly and collaboratively with the Foundation and its purposes but Winthrop University retains responsibility for the employment, compensation, and evaluation of all its own employees.
- Winthrop University shall receive a grant from the Winthrop University Foundation in the amount equal to a full or prorated share of the salaries of the Vice President for Development and Alumni Relations and other University positions as appropriate and as agreed mutually by the University and the Foundation.
- The Winthrop University Foundation may designate a portion of its unrestricted funds to a discretionary fund for the President of the University and will either transfer a percentage of those funds annually to the institution in compliance with state law and university policies or reimburse appropriate presidential expenditures. All such expenditures must comply with the I.R.S. 501(c)(3) code and be consistent with the Foundation's mission. Such funds will be audited as part of the Foundation's annual independent audit.

The Institution's Relationship to the Foundation

- The Executive Director is responsible for communicating Winthrop University priorities and long-term plans to the Foundation.
- Winthrop University recognizes that the Foundation is a private corporation with the authority to keep all records and data confidential consistent with the law.
- The Executive Director of the Foundation shall be included as a member of the University President's cabinet and senior administrative team.
- Winthrop University shall include the Foundation as an active and prominent participant in the strategic planning for the University.
- The President of the University, the Vice President for University Development and Alumni Relations, and the Executive Director of the Winthrop University Alumni Relations and the Alumni Association shall serve as non-voting ex-officio members of the Foundation Board and shall assume a prominent role in fund-raising and donor stewardship activities. The Vice President for University and Alumni Relations shall serve as the Executive Director of the Winthrop University Foundation.
- Winthrop University shall provide office space for the staff of the Foundation, computer and telephone capabilities, and custodial service for those offices. The Foundation shall lease at a fee established by the Vice President for Business and Finance of Winthrop University the office, telephone and computer functions, and custodial services.
- Winthrop University shall establish and enforce policies that support Winthrop University Foundation's ability to respect the privacy and confidentiality of donor records.

Foundation Responsibilities

1. Fund-Raising

- The Winthrop University Foundation shall create an environment conducive to increasing levels of private support for the mission and priorities of Winthrop University.
- The Winthrop University Foundation, in consultation and collaboration with the President of the University, is responsible for planning and executing comprehensive fund-raising and donor-acquisition programs in support of the institution's mission. These programs include annual giving, major gifts, planned gifts, special projects, and campaigns as appropriate.
- The Winthrop University Foundation will establish, adhere to, and periodically assess its gift-management and acceptance policies. It will promptly acknowledge and issue receipts for all gifts on behalf of the Foundation and the University and provide appropriate recognition and stewardship of such gifts.
- Winthrop University recognizes that the Foundation bears major responsibility for fund-raising. University representatives will coordinate fund-raising initiatives including major gift solicitations with the Foundation.
- The Executive Director will work in conjunction with the leadership of the Foundation Board and the University President to identify, cultivate, and solicit prospects for private gifts.
- The Winthrop University Foundation shall not accept grants from state or federal agencies, except in special circumstances that are approved by the Foundation Board of Directors and the governmental agency.
- The Winthrop University Foundation shall establish and enforce policies to protect donor confidentiality and rights.

2. Asset Management

- The Winthrop University Foundation will establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including, but not limited to, the Uniform Prudent Investor Act (UPIA) and the Uniform Management of Institutional Funds Act (UMIFA).
- The Winthrop University Foundation will receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.
- The Winthrop University Foundation will engage an independent accounting firm annually to conduct an audit of the foundation's financial and operational records and will provide Winthrop University with a copy of the annual audited financial statements, including management letters.

3. Institutional Flexibility

- In supporting both Winthrop University and the Winthrop University Real Estate Foundation (WUREF), the Winthrop University Foundation will explore current opportunities, including acquisition and management of real estate on behalf of Winthrop University for future allocation, transfer, or use.
- The Winthrop University Foundation and WUREF may serve as instruments for entrepreneurial activities for the University and engage in such activities as purchasing, developing, or managing real estate for university expansion, student housing, or retirement communities. It also may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by their parties, or engage in other activities to increase Foundation revenue with no direct connection to a university purpose.
- In supporting WUREF on behalf of Winthrop University, the Winthrop University Foundation may make capital contributions to WUREF; WUREF Development, LLC dba The Courtyard at

Winthrop University; and the Winthrop Real Estate, LLC in cash or in-kind in such amounts and at such times as it deems appropriate.

- Winthrop University shall provide bookkeeping services for WUREF as well as office space for that work until it is established that additional staff and space are required for the efficient conduct of business.
- When distributing gift funds to the University, the Winthrop University Foundation will disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift. Winthrop University will abide by such restrictions and provide appropriate documentation.

4. Transfer of Funds

- The Winthrop University Foundation is the primary depository of private gifts and will transfer funds to the designated entity within the institution in compliance with applicable laws, University policies, and gift agreements.
- The Winthrop University Foundation's disbursements on behalf of the University must be reasonable business expenses that support the institution, are consistent with donor intent, and do not conflict with the law.

Foundation Funding and Administration

- The Winthrop University Foundation is responsible for establishing a financial plan to underwrite the cost of foundation programs, operations, and services.
- The Winthrop University Foundation has the right to use a reasonable percentage of the annual unrestricted funds, assess fees for services, or impose gift taxes, to support its operations. The use of fees and taxes shall be disclosed to donors and the University.
- The Winthrop University Foundation shall own its own computers, computer servers, and the records on those servers. The Foundation shall maintain, at its own expense, copies of the plans, budgets, and donor and alumni records developed in connection with the performance of its obligations.
- The Winthrop University Foundation will provide access to data and records to the University on a need-to-know basis in accordance with applicable laws, foundation policies, and guidelines. The foundation will provide copies of its annual report, and other information that may be publicly released.

Terms of the Memorandum of Understanding (MOU)

This Memorandum of Understanding, made this seventh day of December, 2011, by and between Winthrop University and the Winthrop University Foundation, Inc. (an Internal Revenue Code 501 (c)(3) nonprofit corporation), is intended to set forth policies and procedures that will contribute to the coordination of their mutual activities.

To ensure effective achievement of the items of the agreement, the University and Foundation officers and board representatives shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.

Either party may, upon 90 days prior written notice to the other, terminate this agreement.

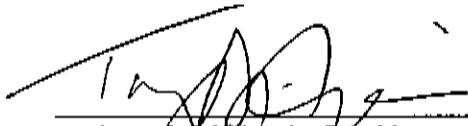
Notwithstanding the forgoing, either party may terminate this MOU in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.

Should the University choose to terminate this agreement the Foundation may require the University to pay, within 180 days of written notice, all debt incurred by the Foundation on the University's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives.

Should the Foundation choose to terminate this agreement the University may require the Foundation to pay debt it holds on behalf of the Foundation in like manner.

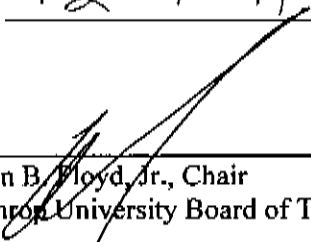
Consistent with provisions appearing in the Foundation's bylaws and its articles of incorporation, should the Foundation cease to exist or cease to be an Internal Revenue Code 501(c)(3) organization, the Foundation will transfer its assets and property to the University, to a reincorporated successor foundation, or to the state or federal government for public purposes, in accordance with the law and donor intent.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.



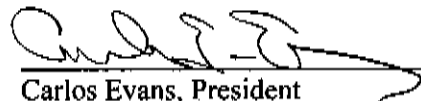
Anthony J. DiGiorgio, President
Winthrop University

Date: 12-7-11



Dalton B. Floyd, Jr., Chair
Winthrop University Board of Trustees

Date: 12-15-11



Carlos Evans, President
Winthrop University Foundation Board

Date: _____



Brien Lewis, Executive Director
Winthrop University Foundation

Date: 12/7/2011