

THE WINTHROP UNIVERSITY FOUNDATION

BYLAWS

Suggested Revisions to include Winthrop University Real Estate Foundation

October 18, 2011

ARTICLE I

Section 1     NAME: The name of this organization shall be The Winthrop University Foundation, as incorporated under the laws of the State of South Carolina and is hereinafter referred to for convenience as the “Foundation.”

Section 2     LOCATION: The principal office of the Foundation is to be located in Rock Hill, South Carolina, in the County of York.

ARTICLE II

Section 1     NATURE: The form of this organization is an eleemosynary corporation, and it is organized exclusively for educational and scientific purposes benefiting Winthrop University within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954 and always consistent with the IRS Code.

Section 2     PURPOSE: The objective of the Foundation shall be:

SUGGESTED REVISIONS

- (a) To establish and implement a program in support of the expansion and improvement of the educational functions of Winthrop University.
- (b) To build an endowment fund, the earnings from which are to be managed and expended by the Foundation's Board of Directors in cooperation with Winthrop University.
- (c) To take title to, hold, invest and reinvest, and administer the assets owned by or assigned to the Foundation within the meaning of the IRS Code and to make distribution of any income not less than annually for the benefit of Winthrop University.
- (d) To provide or make provision for the necessary requirements to accept, manage and maintain a prudent range of charitable vehicles within the meaning of the IRS Code.

Section 3 LIMITATIONS: Notwithstanding any provision of these Articles,

- (a) The Foundation shall not carry on any activity prohibited by any provisions of the Internal Revenue Code pertaining to foundations exempt from Federal Income Tax or provisions governing contributions made to tax-exempt foundations,
- (b) No part of the net earnings of the Foundation shall inure to the benefit of any private shareholder or individual, and no elected director or officer shall receive salary or other financial benefit from the funds of the Foundation except for (1) actual expenses for attending board meetings if and as approved by the

Board; (2) compensation paid solely for staff services to a Foundation employee who may be an ex-officio director.

(c) No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate nor intervene in any political campaign on behalf of any candidate for public office.

(d) The Winthrop University Foundation shall not discriminate among individuals in any way because of religion, race, sex or national origin.

Section 4 DISSOLUTION: In the event of dissolution, the residual assets of this Foundation will be turned over to one or more organizations described in Sections 501 (c) (3) and 170 (c) (2) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future Internal Revenue Code, or the Federal, State or Local government for exclusive public purposes.

### ARTICLE III: BOARD OF DIRECTORS

Section 1 DIRECTORS: The Board of Directors (also referred to as “the Board”) shall have complete control of the management of this Foundation in the furtherance of the purpose as defined in these Articles.

Section 2 NUMBER: The Board of Directors shall be composed of at least 18 and no more than 30 voting members.

Section 3     METHOD OF SELECTION: The Board of Directors shall be composed as follows:

(a)     At least 15 and not more than 26 persons elected by the Board under provisions of Section 4 of this Article.

(b)     The President, President-Elect, and Treasurer of the Winthrop University Alumni Association and the volunteer Chair of the Annual Fund Loyalty Council shall serve as ex-officio voting directors. The President of Winthrop University, Winthrop's Vice President for University Development and Alumni Relations/Executive Director of the Winthrop Foundation, **the President of the Winthrop University Real Estate Foundation**, and the Executive Director of Alumni Relations shall serve as non-voting ex officio directors. Ex-officio directors' terms shall be co-terminus with the terms of office of the positions which they hold with the Alumni Association, the Annual Fund Loyalty Council, and Winthrop University.

Section 4     TERMS OF OFFICE:

(a)     Directors serving under the preceding Section 3(a) shall serve three-year terms. After completing four consecutive terms in office, a person may not be re-elected for a period of two years.

(b)     Elections shall be set up on a rotation system to ensure an equitable number of seats are filled on an annual basis.

(c)     Any vacancy may be filled by the Board at any duly scheduled meeting.

Section 5 MEETINGS:

(a) A minimum of two meetings per year and additional full board meetings may be called by the Executive Committee. At least one meeting shall be in the first six months of the year (a “Spring” meeting) and at least one meeting shall be in the second six months of the year (a “Fall” meeting).

(b) A special meeting may be called by the President of the Foundation or upon written notice signed by any five Directors. Such special meetings shall be held only upon written notice to all directors forwarded not less than four (4) business days before the meeting. The purpose of the meetings shall be stated in said notice.

(c) A copy of the Minutes of any meeting shall be sent to each member of the Board of Directors by the Executive Director of the Foundation within ten days after that meeting.

Section 6 QUORUM: A quorum shall be one-third of the voting members of the Board of Directors. Proxy voting is not allowed. Attending by conference call and voting by conference call is permitted.

Section 7 VOTE: A vote of the Board of Directors may be taken when a previously called meeting failed of a quorum and when full and complete notice of the pending question has been sent to all of the Directors. Any action requiring a vote of the

Board of Directors may be taken by mail, electronic mail, video-conferencing, or facsimile ballot.

#### ARTICLE IV: OFFICERS

Section 1 TITLE OF OFFICERS: The officers of the Board of Directors shall consist of the President, Vice President, Secretary, Treasurer, and Executive Director.

Section 2 ELECTION OF OFFICERS: The President, Vice President, Secretary and Treasurer, shall be elected by the Board of Directors from its membership at a Fall meeting and shall take office at the close of that meeting for a term of two years. Officers will remain in their positions at the completion of their terms until elections for their successors are completed. Elections to fill a vacancy may be held at any board meeting.

Section 3 DUTIES OF THE PRESIDENT: The President shall preside at all meetings of the Board of Directors and have all powers and duties incident to that office. At each meeting, the President shall be required to make a comprehensive report to the Board of Directors including recommendations for conduct of the affairs of the Foundation. The President of the Winthrop University Foundation, or his/her designee shall serve as a director of WUREF for as long as (s)he holds such office.

Section 4 DUTIES OF THE VICE PRESIDENT: In the absence of the President, the Vice President shall preside at any meeting and otherwise perform the duties of the President. In the event that the office of President shall become vacant for any reason, the Vice President shall assume the duties of the office of the President until the next regular or special meeting of the Board of Directors, at which time a successor President shall be elected to complete the unexpired term.

Section 5 DUTIES OF THE SECRETARY: The Secretary shall have general charge of the Foundation books and minutes, and of the Foundation seal, and shall affix the Foundation seal to any lawfully executed instrument requiring it.

Section 6 DUTIES OF THE TREASURER: The Treasurer on behalf of the Board shall oversee administration of the Foundation's financial affairs. The Treasurer shall give general oversight to the Executive Director's handling of day-to-day financial affairs, and shall coordinate interaction of the Executive Director, the standing committees involved with finances, and the Board as a whole. The Treasurer shall make regular detailed financial reports as directed by the Board.

Section 7 DUTIES OF THE EXECUTIVE DIRECTOR: The Board, in conjunction with the University President, shall appoint Winthrop University's Vice President for University Development and Alumni Relations as the Executive Director, who may be compensated for services in accordance with appropriate Board policies. He or she will be generally responsible for carrying out plans and purposes of the

Foundation as directed by the Board, shall be responsible for the minutes of the meetings, for all correspondence and records, and for the continuing business of the Foundation. The Executive Director shall hire and supervise the work of any other employees in positions approved by the Board. The Executive Director shall be responsible for the day-to-day financial operations of the Foundation, and shall ensure that accurate accounts of receipts, disbursements, investments, and gift documentation are kept. **The Executive Director shall serve as a director of WUREF for as long as (s)he holds such office.**

#### ARTICLE V: COMMITTEES

Section 1 EXECUTIVE COMMITTEE: There shall be an Executive Committee of the Foundation Board of Directors composed of the following:

- (a) President of the Foundation
- (b) Vice President of the Foundation
- (c) Secretary of the Foundation
- (d) Treasurer of the Foundation
- (e) Immediate past President of the Foundation
- (f) President of the Winthrop University Alumni Association
- (g) President of Winthrop University
- (h) Vice President for University Development and Alumni Relations/Executive Director of the Foundation
- (i) **President of the Winthrop University Real Estate Foundation**

The Executive Committee's responsibilities include determining the most effective composition of the board and developing policies and activities that attract, orient, educate, organize, motivate and assess the performance of directors.

The Executive Committee shall have all the powers of the Board of Directors during the interim between Board meetings, except that the Executive Committee shall not have or exercise the authority to:

- (a) Contravene any established policy or prior action by the Board;
- (b) Amend the Articles of Incorporation or the By Laws;
- (c) Authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Foundation;
- (d) Adopt a plan for distribution of the assets of the Foundation; or
- (e) Fill vacancies on the Board of Directors.

Any Executive committee action shall be reported to and ratified by the Board of Directors within two weeks.

Section 2 STANDING COMMITTEES: Unless noted elsewhere in this article, membership in standing committees, including the committee chairmen, will be appointed by the Foundation President. The President of Winthrop University and the Vice President for University Development and Alumni Relations/Executive Director of the Foundation shall be ex officio non-voting members of the standing committees and all other committees. On approval of the Executive Committee,

persons other than Directors may be appointed to committees. There shall be three (3) Standing Committees:

(a) Investment Committee

The Committee's principal responsibilities include developing and maintaining the investment policy, selection and rigorous oversight of the investment managers and their performance and overall management of the Foundation's endowment to insure maximum possible return on Foundation assets consistent with reasonable standards of responsible financial management and investment. This Committee may utilize outside financial services organizations, although the full Board must approve an agreement creating an ongoing relationship or financial commitment. The Committee's membership shall include the Foundation's President and Treasurer, and the Treasurer of the Winthrop University Alumni Association, along with other Foundation directors appointed by the President.

(b) Development Committee

The Development Committee works in concert with the Foundation's executive staff and the university's executive leadership to determine fundraising goals, priorities and timetables. This Committee shall, in cooperation with the University's Office of Development recommend policies, procedures and programs for solicitation of major and deferred gifts, including recognition of donors; develop plans for major fund raising campaigns and initiatives; and

coordinate Foundation activities with the fund raising activities of the Foundation and the University, including engaging the members of the Board in pacesetter giving, and actively identifying major prospects and soliciting gifts.

(c) Operations Committee

This Committee shall oversee the operations and administrative functions of the Foundation and its liaison with Winthrop University. Specifically, the Committee shall review the following items and recommend action to the Board of Directors:

- (1) General oversight of professional staff positions.
- (2) Proposals for the Foundation's grants to Winthrop University.
- (3) The annual operating budget.
- (4) Gift accounting policies and procedures.
- (5) Other issues of liaison with Winthrop University not within the purview of other committees.

The Committee's principal responsibilities also include oversight of the annual audit process, selection of the auditor of the annual financial statements, oversight of the Foundation's conflict-of-interest policy, monitoring travel and entertainment expense policies, and ensuring that existing policies comply with IRS requirements.

Section 3 SPECIAL COMMITTEES: The Board of Directors may authorize special committees as needed. Unless the Board decides otherwise in a specific situation, the President shall appoint members of such committees. The President shall

appoint from among the voting members of the Board the members of a Committee on Nominations, subject to the consent of the Board. Its membership will not exceed five but may be as few as three. The Committee on Nominations shall prepare a slate of nominees for the positions of President, Vice President, Secretary, Treasurer, and directors to be presented for election at a Fall meeting of the Board when the terms of office of these positions is to conclude or in the event of a vacancy.

#### ARTICLE VI: OPERATING PROCEDURES

Section 1     CONTRIBUTIONS: All contributions shall be made payable to The Winthrop University Foundation, and shall be deposited in the name of the Foundation in such financial institutions as may be designated by the Board for prudent management and investment effectiveness.

Section 2     EXPENDITURES: All expenses of the Foundation shall be defrayed by appropriation of the Board of Directors from resources of the Foundation. Disbursement will be made only for the purposes designated by the Board in accordance with the purposes and limitations of Article II of these Bylaws. The Board shall prescribe appropriate rules authorizing and designating those persons who may sign, on behalf of the Foundation, checks, drafts, or other orders for the payment of money.

Section 3     FISCAL YEAR: The Foundation shall operate on a calendar year basis beginning January 1 and ending December 31 of each year.

Section 4     AUDIT AND BONDING: The Board shall authorize and provide funds for an annual audit and to ensure that all Foundation officers or employees who receive or process receipts, or who are involved in issuance of checks, are bonded at appropriate levels under generally accepted financial principles.

Section 5     INDEMNIFICATION: Each director and officer of the Board shall be indemnified by the Foundation against any and all claims and liabilities arising by reason of serving or having served as a director or officer of the Board, or by reason of any action alleged to have been taken, admitted or neglected. Any director or officer shall be reimbursed for all expenses reasonably incurred in connection with any such claim or liability; provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence.

Section 6     ANNUAL PLANNING: The Foundation shall achieve the purposes of Article II, Section 2 through use of ongoing planning, including preparation of an operating plan and budget, for submission at a fall meeting.

## ARTICLE VII

Section 1     AMENDMENTS: Any amendments to these Bylaws shall be adopted by two-thirds vote of members present at any regular meeting provided written notice of the proposed amendment has been sent to each member of the Board of Directors at least 10 days prior to the meeting.

Section 2     RATIFICATION: These Bylaws become effective when they have been adopted by the Board of Directors under amendment procedures of Article VIII of existing Bylaws as last amended in October, 2007. When ratified, this document shall completely replace any previous Bylaws and override any operating policies which may be in conflict with it.