

TRUMAN STATE UNIVERSITY FOUNDATION
POLICIES AND BYLAWS

MAY 1, 2009



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BOARD POLICIES

Board of Directors

Truman State University Foundation

May 1, 2009

PREFACE

This compilation of Board Policies for the Truman State University Foundation utilizes the same format as the Code of Policies for the University.

PURPOSE

The purpose of the compilation is to place all general and permanent policies of the Board of Directors into an integrated and comprehensive volume with the topics arranged in logical order and with consistent language. The existence of such a compilation will make it easier for members of the Board, and those charged with the responsibility to administer the policies, to be familiar with all policies of the Board currently in force, regardless of the dates of their adoption.

ARRANGEMENT

Each chapter is intended to represent a separate subject as indicated by the title. A listing of the sections within the chapter is shown at the beginning of each chapter.

NUMBERING

Each section number carries the number of the chapter in which it is located. The chapter number and the section number are separated by a decimal point. When it is recognized that the number to the left of the decimal point is the chapter number, and the number to the right of the decimal point is the section number within that chapter, the system is easily comprehended and utilized.

The sections are numbered progressively by tens in order to provide space for the insertion of additional sections to accommodate future policies. New sections, as necessary, may be inserted between the existing sections without changing any of the current numbers. For example, a new section between 6.010 and 6.020 could be 6.015 or any other number between 6.010 and 6.020.

ANNOTATIONS

Annotations for development of the various sections in the policies are shown at the end of the sections. The "Source" notes include prior actions by the Board and applicable state laws. "Cross reference" notes also are shown at the end of some of the sections to refer readers to other sections of the Board Policies for related topics.

INDEX

A rudimentary index for the policies follows the last chapter. Index entries are arranged in alphabetical sequence to enable rapid scanning of the index.

Authentication of Board Policies
TRUMAN STATE UNIVERSITY FOUNDATION

I hereby certify that the May 1, 2009, update of the Policies of the Board of Directors for the Truman State University Foundation, as they appear herein, reflects the Amendments to the Policies of the Board of Directors for the Truman State University Foundation adopted by the Foundation to and including May 1, 2009.

Warren Wells
General Counsel

Chapter 1

GENERAL PROVISIONS

Sections:

- 1.010. Citation of Policies
- 1.020. Coordination with Bylaws
- 1.030. Definitions
- 1.040. Implementation of Policies
- 1.050. Amendments

1.010. Citation of Policies. The policies contained in this chapter and the following chapters of this document shall constitute and be designated the “Policies of the Board of Directors for the Truman State University Foundation” and may be so cited. Such policies also may be cited simply as the “Policies of the Board” or the “Board Policies.”

Source: Customary provision.

1.020. Coordination with Bylaws. The policies in this document are supplemental to the Bylaws of the Corporation and should be construed in harmony with the Bylaws. In the event of a clear conflict between the Bylaws and these policies, then the Bylaws take precedence and thereby modify the conflicting policies.

Source: Customary provision.

1.030. Definitions. In the construction of these policies, the following definitions are to be observed unless the context clearly requires otherwise.

1. The terms “Board of Directors” and “Board” mean the Board of Directors for the Truman State University Foundation.
2. The term “Board of Governors” means the Board of Governors for Truman State University.
3. The terms “Board Policies” and “these policies” mean the policies contained in this and the following chapters of this document.
4. The term “Bylaws” means the Bylaws of the Truman State University Foundation.
5. The term “Corporation” means the Truman State University Foundation.
6. The term “director” means a member of the Board of Directors for the Truman State University Foundation.
7. The term “Executive Secretary” means the executive secretary of the Truman State University Foundation.
8. The term “officer” means a person elected or appointed to serve as one of the officers named in the Bylaws of the Truman State University Foundation.
9. The terms “President of the Corporation” and “President” mean the president of the Truman State University Foundation.

10. The term “President of the University” means the duly appointed or acting president of Truman State University.

11. The terms “RSMo” and “statutes” mean the Revised Statutes of Missouri.

12. The term “University” means Truman State University.

Source: Customary provision.

1.040. Implementation of Policies. Unless noted to the contrary in a particular provision, the President of the Corporation has both the duty and authority to implement these policies. For that purpose, he/she may prepare and approve supplemental policies, procedures, guidelines, rules, schedules, and other documents to implement these policies, and he/she may delegate authority for such implementation to one or more persons either by name or title.

Source: Customary provision.

1.050. Amendments. Changes or additions to these policies may be made by the Board at any regular meeting, or special meeting called for that purpose, by majority vote of the directors present at the meeting when a quorum is present. Presence at the meeting includes participation through conference telephone or similar communications equipment as hereafter provided in Section 3.050 of these policies. Changes or additions to these policies also may be made by written consent or approval of all the directors setting forth the action so taken.

Source: Sections 355.145 and 355.150, RSMo.

Article II, Sections 4 thru 9, Bylaws.

Cross-reference: Section 3.050 of Board Policies.

Chapter 2 PURPOSE AND STATUS

Sections:

- 2.010. Purpose
- 2.015. Mission and Goals
- 2.020. Corporate Status
- 2.030. Tax-Exempt Recognition

2.010. Purpose. The purpose of the Corporation, as set forth in the articles of incorporation, is “to promote the welfare of Truman State University.”

Source: Articles of Incorporation approved by the Secretary of State on October 30, 1984; amended to reflect name change on May 30, 1996 (effective July 1, 1996).

2.015. Mission and Goals.

Mission Statement. Definition: The mission statement defines the overarching purpose of the organization.

The mission of the Truman State University Foundation is to support the goals and activities of Truman State University by obtaining financial support, nurturing viable relationships with external constituencies, and serving as prudent financial stewards of the Foundation’s resources.

Goal Statements. Definition: Goals are broad statements that establish a clear direction for future action and set Foundation priorities.

1. To cultivate and nurture relationships with alumni, friends, corporations, and foundations.
2. To increase financial support for projects that enhance the University’s educational environment and physical facilities.
3. To generate financial support for student scholarships and loans that will help make quality higher education more affordable for outstanding students.
4. To initiate and foster fund-raising projects that address unique institutional needs.
5. To support the recruitment, retention and professional development of outstanding faculty by providing financial support to meet special needs.
6. To adhere to high ethical standards in prudently managing and allocating the resources of the Foundation.

Source: Resolution of the Board dated October 20, 2000.

2.020. Corporate Status. The Corporation is a not for profit corporation organized and existing under the provisions of Chapter 355 of the Revised Statutes of Missouri, which is entitled “The General Not for Profit Corporation Law.”

Source: Chapter 355, RSMo.

Board Policies

2.030. Tax-Exempt Recognition. The Corporation is recognized as a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Source: Internal Revenue Service letter dated December 20, 1985.

Chapter 3

BOARD OF DIRECTORS

Sections:

- 3.010. General
- 3.015. Nominating Committee
- 3.016 Terms of Board Members
- 3.020. Meetings
- 3.030. Notice of Meetings
- 3.040. Quorum
- 3.050. Official Actions

3.010. General. The business and affairs of the Foundation are managed by the Board of Directors. The Board will consist of three members of the University Board of Governors, appointed annually by the President of the University Board of Governors; and the President of the University; and up to 20 additional members, selected in accordance with the procedures set forth in Section 3.015, entitled Nominating Committee. In addition, the Chief Advancement Officer/Executive Secretary and the Controller/Treasurer shall serve as ex-officio members with no voting privileges.

Any former President of the University is eligible for appointment to fill a vacancy on the Board of Directors, subject to the same terms and conditions as the other members of the Board of Directors.

Source: Sections 355.130 and 355.135, RSMo.
 Article II, Sections 1 through 3, Bylaws.
 Resolution of the Board dated June 7, 1997.
 Resolution of the Board amended April 5, 2003.
 Resolution of the Board amended October 17, 2003.
 Resolution of the Board dated April 2, 2005.

3.015. Nominating Committee. Except for the University Board of Governors representatives on the Foundation Board of Directors and the President of the University, appointment of Foundation Board members shall be initiated by action of a Nominating Committee of the Foundation Board. The Nominating Committee shall prepare and submit to the Foundation Board a slate of candidates for available positions on the Board for approval or rejection by the Board of Directors of the Foundation. The Nominating Committee shall be appointed by the President of the Foundation and shall consist of five persons as follows: the President of

the University; two Board of Governors representatives to the Foundation Board; and two other members of the Foundation Board appointed by the Foundation Board President. The Chief Advancement Officer/Executive Secretary shall also serve in an ex-officio capacity with no voting rights on the Nominating Committee.

Source: Resolution of the Board dated June 7, 1997.
Resolution of the Board amended October 17, 2003.
Resolution of the Board dated April 2, 2005.

- 3.016. Terms of Board Members. The President of the University shall automatically be a member of the Foundation Board during his/her term as President of the University. Foundation Board members who also serve as Board of Governors representatives shall be appointed to the Foundation Board for terms of one year and may be reappointed for no more than two additional consecutive one-year terms. Such representatives must continue current membership with the University Board of Governors in order to remain as Foundation Board members.

All other Foundation Board members shall be appointed for terms of three years. Such persons appointed to three-year terms may serve no more than two consecutive three-year appointments. Any member who has served two consecutive three-year appointments will not be eligible for reappointment to the Foundation Board until a period of one year has elapsed from the end of his/her second three-year term. After the lapse of such one-year period, such Foundation Board member is again eligible for service for up to two consecutive terms.

Source: Resolution of the Board dated June 7, 1997.
Resolution of the Board amended October 17, 2003.

- 3.020. Meetings. Regular meetings of the Board are normally held immediately after, and at the same place as, the regular meetings of the Board of Governors. Such regular meetings also may be held immediately before, or during recesses in, the regular meetings of the Board of Governors. Special meetings also may be called as provided in the Bylaws.

Source: Section 355.145, RSMo.
Article II, Sections 4 and 5, Bylaws.

3.030. Notice of Meetings. Notice of Board meetings is given in accordance with the Bylaws and the statutes.

Source: Section 355.145, RSMo.
Article II, Sections 4 and 6, Bylaws.

3.040. Quorum. A majority of the directors then in office who are present and participating at a meeting of the Board shall constitute a quorum for the transaction of business.

Source: Section 355.150, RSMo.
Article II, Section 8, Bylaws.

3.050. Official Actions. The Board may act through any of the following methods.

3.050.1. Meetings in Person. An act of the majority of the directors present at a meeting, at which a quorum is present, shall be the act of the Board.

3.050.2. Meetings Through Communications Equipment. Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

3.050.3. Written Approvals. The Board may also act by written, telephonic or electronic consent or approval of a two-thirds majority of directors of the Corporation. In such cases, all directors will be provided with information and a reasonable time frame to cast a written vote.

Source: Resolution of the Board dated October 20, 2000.

Chapter 4

OFFICERS – DUTIES AND RESPONSIBILITIES

Sections:

- 4.010. President
- 4.020. Vice President
- 4.030. Executive Secretary
- 4.040. Treasurers
- 4.050. General Counsel

- 4.010. President. The president of the Foundation Board shall be elected by the Foundation Board and presides at meetings of the Board.

The president of the Foundation Board shall be elected for a two-year term. In the event that a Foundation Board president's term as a board member is scheduled to expire prior to the expiration of his/her two-year term as Foundation Board president, then in that event, the Foundation Board president's membership term shall be automatically extended until such president completes his/her two-year term as president of the Foundation Board.

The Foundation Board president's responsibilities include the appointment of the two non-board of governors' members to the nominating committee; the appointment of the investment committee; the appointment of other committees on an as-needed or standing basis, which committees may include persons who are not Foundation Board members; to work with the chief advancement officer/executive secretary and the president of the university on agendas and plans for meetings and retreats of the Foundation Board. Additional provisions concerning the duties of the president are set forth in the Bylaws.

Source: Article III, Bylaws.
Resolution of the Board dated June 7, 1997.
Resolution of the Board amended April 5, 2003.

- 4.020. Vice President. Until July 1, 1998, the President of the Board of Governors serves as the Vice President of the Foundation. Subsequent to July 1, 1998, the Vice President of the Foundation is elected by the Foundation Board. Additional provisions concerning the duties of the Vice President are set forth in the Bylaws.

Source: Article III, Bylaws.
Resolution of the Board dated June 7, 1997.

Board Policies

4.030. Executive Secretary. The Chief Advancement Officer, or such other employee of the University designated by the President of the University, serves as the Executive Secretary of the Corporation. Additional provisions concerning the duties of the Executive Secretary are set forth in the Bylaws.

Source: Article III, Bylaws.

4.040. Treasurers. The Treasurer of the University serves as the Treasurer of the Corporation. The deputy or assistant treasurers of the University also serve corresponding positions with the Corporation. Additional provisions concerning the duties of the Treasurer, and the deputy and assistant treasurers, are set forth in the Bylaws.

Source: Article III, Bylaws.
Resolution of the Board dated June 22, 1991.

4.050. General Counsel. The General Counsel of the University serves as the General Counsel of the Corporation and provides legal services equivalent to those provided to the University.

Source: Article III, Bylaws.

Chapter 5

GIFTS – RECEIPT AND ADMINISTRATION

Sections:

- 5.010. Solicitation Guidelines
- 5.020. Acceptance Guidelines – Personal Property Gifts
- 5.030. Acceptance Guidelines – Real Estate Gifts
- 5.040. Acceptance Guidelines – Trust Agreements
- 5.050. Restricted Use Gifts
- 5.055. Change of Conditions for Restricted Funds
- 5.060. Problematic Gifts
- 5.070. Undesignated Gifts
- 5.080. Deferred Gifts
- 5.090. Named Giving Opportunities
- 5.100. Grant Applications
- 5.110. Gifts Coordination
- 5.120. Property Sales
- 5.130. Donated Securities Sale
- 5.140. Appraisal of Gifts

5.010. Solicitation Guidelines. Donations and contributions to support the purpose of the Corporation are to be solicited in the following manner.

5.010.1. Ethical Standards. Solicitation of gifts from businesses and individuals are to follow high ethical standards. Appeals to vendors and businesses that have commercial relationships with the Corporation or the University, or that have potential for future commercial relationships with the Corporation or the University, are to be made in the spirit of philanthropy with no overt or implied promises of future business transactions or threats of business reduction. The purchasing function for the Corporation and the University and the fund raising function for the Corporation and the University are to remain completely separate, and neither function is to be improperly influenced by the other.

5.010.2. Protection of Donor's Interest. No agreement is to be made between the Corporation and any donor agency, person, company, or organization which would knowingly jeopardize or compromise the interest of the donor, and the officers and agents of the Corporation are to avoid the use of high-pressure sales techniques in dealing with prospective donors. The role of such officers and agents is to inform, serve, guide, or otherwise assist prospective donors in achieving fulfillment of the donors' philanthropic goals. Persons employed by the Corporation, or on its behalf,

to solicit or otherwise promote the receipt of gifts are to be paid fixed compensation amounts, and they are not to be paid commissions or similar financial incentives.

5.010.3. Use of Legal Counsel. The President, and his/her designees, are to utilize the advice of legal counsel in matters pertaining to the Corporation's planned giving program, and they should not execute an agreement, contract, trust, or other legal document with any donor without the advice of such counsel. Prospective donors of major gifts are to be advised to consult their own legal counsel in any and all aspects of the proposed gifts, including tax liability and personal estate planning.

5.010.4. Confidential Information. Information concerning donors or prospective donors is to be kept confidential, including the identity of donors and beneficiaries, the amount of their gifts, and the size of their estates. Information, which otherwise would be confidential, may be released with permission of the donors.

Source: Resolution of the Board dated January 30, 1986.

5.020. Acceptance Guidelines—Personal Property Gifts. Donations and bequests may be accepted by the President and his/her designees either for unrestricted use in the Annual Fund or for designated use in an established fund or program such as an academic division, named scholarship, specified research, or student loan category. The President and his/her designees also may accept gifts designated for other specific purposes if the gifts are not conditional or problematic as described hereafter in Section 5.060, and if such gifts meet the criteria for restricted gifts set forth in these policies.

Source: Resolutions of the Board dated January 30, 1986 and September 25, 1993.

5.030. Acceptance Guidelines—Real Estate Gifts. Gifts of real property (land, houses, commercial buildings, etc.) may be accepted by the President and his/her designees provided such gifts are consistent with the provisions of this chapter. Gifts of real estate may be used to fund net-income-only forms of unitrusts.

Source: Resolutions of the Board dated January 30, 1986 and September 25, 1993.

5.040. Acceptance Guidelines—Trust Agreements. The President and his/her designees are authorized to negotiate and enter into trust agreements, provided such agreements are consistent with the provisions of this chapter. Other trust agreements require approval by the Board prior to their acceptance.

Source: Resolution of the Board dated January 30, 1986.

5.050. Restricted Use Gifts. Gifts that are subject to restricted uses, other than the restricted uses consistent with the provisions of this chapter, may not be accepted without approval of the Board.

Source: Resolution of the Board dated January 30, 1986.

5.055. Change of Conditions for Restricted Funds. In the unlikely event that it becomes impossible to fulfill the original conditions for use of gifts to a restricted fund, the Truman State University Foundation Board of Directors shall utilize the fund so as to most nearly fulfill the donor's original intent. In the case of a named restricted fund, the President or his/her appointee will attempt to, if possible, contact and seek the advice of one or more major donors of the fund so as to better inform the Board of Directors.

Source: Resolution of the Board dated April 4, 1998.

5.060. Problematic Gifts. Gifts that require the University or the Corporation to assume additional or specific liability, that contain other legal conditions or limitations, or that are unusual in some significant manner may not be accepted without approval of the Board. Examples of such gifts include livestock that would require an additional burden on the University's or the Corporation's operating budgets, gifts of property that would require more than routine maintenance or management, gifts designated for purposes not obviously related to the University's current mission and services, and gifts for scholarships or loans that would require such scholarships or loans to be made to specific recipients named by the donors.

Source: Resolution of the Board dated January 30, 1986.

Cross-reference: Section 12.020 of Board Policies.

5.070. Undesignated Gifts. Gifts not designated for endowment or capital purposes, and not otherwise restricted in their use at the time of their receipt and acceptance, are to be placed in the Annual Fund and administered as hereafter provided in Section 8.010 concerning the Annual Fund.

Source: Resolution of the Board dated September 25, 1993.

Cross-reference: Section 8.010 of Board Policies.

5.080. Deferred Gifts. The President and his/her designees are authorized to negotiate and enter into gift annuity, life income, and similar agreements in accordance with this section. Other agreements require approval by the Board.

- 5.080.1. Gift Annuities. Gift annuities may be funded with minimum gifts of \$5,000. The rates of return are to be based upon the rates to be established from time to time by the President and his/her designees in consultation with an advisory committee.
- 5.080.2. Life Estate Contracts. Life estate contracts without encumbrances may be accepted by the President and his/her designees on behalf of the Corporation. If such contracts are encumbered in any way, the gifts may not be accepted without approval of the Board.
- 5.080.3. Life Insurance Policies. The TSU Foundation welcomes most types of life insurance gifts and may present insurance gifts as an option to certain prospects to enhance endowments and other future gift opportunities. Donors may make a revocable gift of life insurance proceeds by simply designating the TSU Foundation as a beneficiary. The Foundation may be designated as the sole beneficiary or a joint beneficiary with one or more individuals and/or organizations. This designation will not be recognized as a gift until life insurance proceeds are received by the Foundation, but may be eligible for donor recognition in the Baldwin Society.

Donors may make an irrevocable gift of life insurance by

1. Gifting of a paid-up life insurance policy to the Foundation as owner and beneficiary.
2. Purchasing a new policy with the Foundation as the owner and beneficiary, or
3. Gifting of an existing life insurance policy with continuing premiums, with the Foundation as the owner and beneficiary.

Donors may receive a charitable deduction as allowed by the law for an irrevocable gift.

When premiums are due and owing on a policy for which ownership has been transferred to the Foundation, the donor agrees to be responsible for the premium payments, which can be made as gifts to the Foundation. The application of policy dividends against premium payments may be accepted by the President and his/her designees on behalf of the Foundation. If for any reason the donor is unable to make

the gifts to cover the premium payments, and there are not sufficient dividends to cover the premium payments, the Foundation will select an option deciding the future of the policy based on several factors, which may be the age of the donor, death benefit, current cash value, amount of premium, etc. The options are:

- a) To use Foundation resources to pay the insurance premium.
- b) To discontinue premium payments and consider the policy paid at the current level of insurance.
- c) To surrender the policy for cash value and use the funds as designated by the donor.

The Foundation does not recognize gifts of term life insurance and does not provide donor recognition for such gifts.

Source: Resolution of the Board dated April 4, 2009.

5.080.4. Pooled Income Fund. Initial contributions to the pooled income fund are to be a minimum of \$5,000. Additional contributions to the fund may be made in amounts of \$1,000 or more. Such funds are to be commingled and invested together under the management of a person or organization designated by the Board. All interest earned by the pooled income fund is to be distributed to the contributors in proportion to the number of their units. Upon the death of a contributor (and the death of any named lifetime beneficiary), the principal becomes the property of the Corporation.

- 5.080.5. Trusts. All of the following types of trusts require a minimum of \$50,000 in assets:
1. Charitable Remainder Unitrust. The rate of return for a charitable remainder unitrust is to be no less than 5 percent and no higher than fiscally prudent as determined by the President and his/her designees. Additional contributions may be made to such a unitrust at any time.
 2. Charitable Remainder Annuity Trust. The rate of return for a charitable remainder annuity trust is to be no less than 5 percent and no higher than fiscally prudent as determined by the President and his/her designees. No additional contributions may be made to such an annuity trust.
 3. Charitable Lead Trust. A charitable lead trust may be established for a specific period of time, but not less than ten years, and the rate of return is to be no less than 5 percent. During the period of the trust, the income from the trust is paid to the Corporation for the use named in the trust agreement. Absent a named use, the income will be placed in the Annual Fund.

Source: Resolutions of the Board dated January 30, 1986, and September 25, 1993
Cross-reference: Section 7.010 of Board Policies

5.090. Named Giving Opportunities. Special named giving opportunities are available for individuals and organizations in recognition of significant contributions to the Corporation, and such opportunities are based upon, but not limited to, the minimum amounts shown in the following table of named giving opportunities:

Named Annual Funds

Undergraduate Scholarship.....	\$ 1,000 per year
Graduate Fellowship.....	1,000 per year
Library Book Fund	1,500 per year
Lectureship	2,500 per year
Cultural Fund.....	5,000 per year
Faculty Fellowships.....	5,000 per year
Faculty Development/Research.....	10,000 per year

Named Endowed Funds

Undergraduate Scholarship.....	\$ 15,000
Graduate Fellowship.....	15,000
Library Book Fund	15,000
Lectureship	25,000
Cultural Fund.....	50,000
Faculty Development/Research.....	100,000
Endowed Professorship	500,000
Endowed Chair	1,000,000

*Named Academic Disciplines*varies

Gifts for named academic disciplines must be of an unrestricted or capital nature.

Named Campus Facilities

New and existing facilities, and commemorative units within or associated with the named facilities, may be named for gifts equal to 20 percent of the facility's cost. Such gifts must be of an unrestricted or capital nature.

The awarding of names in recognition of financial support for programs and facilities operated by the University is done in conjunction with the University, and such awards are subject to approval by the Board of Governors.

Source: Resolution of the Board dated October 20, 2000, October 17, 2003, October 21, 2005 and October 20, 2006

5.100. Grant Applications. Potential grants from foundations and government funding sources that enhance the purpose of the Corporation and/or the mission of the University are to be actively pursued by the officers and agents of the Corporation.

Source: Resolution of the Board dated January 30, 1986.

- 5.110. Gifts Coordination. Faculty and staff of the University who are contacted by prospective donors are to notify the Executive Secretary of the potential gifts to ensure that the intended gifts are coordinated with other solicitation efforts and that such gifts are within the guidelines set forth in these policies.

Source: Resolution of the Board dated January 30, 1986.

- 5.120. Property Sales. One or more of the treasurers, with the approval of the President and the Executive Secretary, are authorized to sell donated property, with the following exceptions:
1. The gift property was donated as a gift-in-kind for use by the Corporation or the University, and the intended use is still economically sound; or
 2. The gift property was accepted with an agreement that it would not be sold, and the restriction against such sale has not expired.

The proceeds of such sales of donated property are to be placed in the Corporation's investment account unless otherwise directed by the donor at the time of donation or other good cause.

Source: Resolution of the Board dated March 7, 1992.

- 5.130. Donated Securities Sale. Donated securities are to be placed with a recognized broker for sale at the earliest reasonable date after their receipt, unless such securities are subject to one of the exceptions in Section 5.120 concerning property sales. The proceeds of such sales are to be used for the purposes named by the donors. If no purpose is named for a particular donation of securities, the funds are to be placed in the Annual Fund. In the event the donated securities have an unusually low market value at time of receipt, they should be retained, and the market capability of the securities should be reviewed on a periodic basis, at least annually, with a recognized broker to determine whether or not the securities are reasonably marketable at that time. When the securities become saleable at a reasonable price, they are to be sold without further delay.

Source: Resolution of the Board dated January 30, 1986.

- 5.140. Appraisal of Gifts. The President and his/her designees are authorized to obtain the services of a qualified independent appraiser to determine the value of gifts received when the market value of such gift is not easily determined. Examples of such gifts may include, but are not limited to personal property, artwork, special collections and gifts of closely held private

stock. When the Foundation is the recipient of such a gift and the estimated expected value of such gift is thought to be greater than \$250,000, the President and his/her designees shall obtain such an appraisal unless specifically excepted by the Foundation Board of Directors. An appraisal may be undertaken for gifts of lesser value at the discretion of the President and his/her designees.

A qualified appraiser is someone who holds himself or herself out to the public as an appraiser, and because of his or her background, experience, education and membership in professional associations, is qualified to make such appraisals, in the judgment of the President or his/her designees.

Source: Resolution of the Board dated October 20, 2006

Chapter 6 DONOR RECOGNITION

Sections:

- 6.010. General
- 6.020. Century Club
- 6.030. Purple and White Club
- 6.040. John R. Kirk Society
- 6.050. Pershing Circle
- 6.060. President's Circle

6.010. General. Alumni and friends of the University who make contributions to the Corporation are to be honored and recognized for their gifts during the applicable fiscal year in accordance with the following sections.

Source: Resolution of the Board dated October 20, 2006

6.020. Century Club. A one-year membership in the Century Club is to be accorded to each party or couple who contributes at least \$100 or its equivalent during a particular fiscal year.

Source: Resolution of the Board dated June 26, 1993 and October 20, 2006

6.030. Purple and White Club. A one-year membership in the Purple and White Club is to be accorded to each party or couple who contributes at least \$250 or its equivalent during a particular fiscal year.

Source: Resolution of the Board dated September 25, 1993 and October 20, 2006

6.040. John R. Kirk Society. Membership in the John R. Kirk Society is to be accorded to each party or couple whose contributions meet the criteria set forth in the following subsections.

6.040.1. Individual Membership Criteria. A one-year associate membership is to be accorded to each person or couple who contributes at least \$500 or its equivalent during a particular fiscal year. Members are to be given additional recognition for the following contribution levels:

Member	\$1,000-\$2,499
Professor	\$2,500-\$4,999
Distinguished Professor.....	\$5,000-\$9,999
Dean's Fellow.....	\$10,000-24,999
Dean's Level.....	\$25,000-\$49,000
President's Level.....	\$50,000 and above

6.040.2. Corporate Membership Criteria. A one-year membership is to be accorded to corporations and foundations that contribute at least \$1,000 or its equivalent during a particular fiscal year. Corporate members are to be given additional recognition for the following contribution levels.

Professor	\$2,500-\$4,999
Distinguished Professor.....	\$5,000-\$9,999
Dean's Fellow.....	\$10,000-\$24,999
Dean's Level.....	\$25,000-49,000
President's Level.....	\$50,000 and above

Source: Resolutions of the Board dated January 30, 1986, June 26, 1993, September 24, 1994 and October 20, 2006.

6.050. Pershing Circle. Membership in the Pershing Circle is to be accorded to each party or couple whose cumulative contributions are within the range of \$10,000 to \$24,999.

Source: Resolution of the Board dated April 7, 2001 and October 20, 2006

6.060. President's Circle. Membership in the President's Circle is to be accorded to each person or couple whose contributions meet the criteria set forth below. A lifetime membership in the President's Circle is to be accorded to each person or couple who makes cumulative contributions of at least \$25,000 or its equivalent. Members are to be given recognition for the following contribution levels:

1867	\$25,000-\$49,999
Quadrangle	\$50,000-\$99,999
Eternal Flame	\$100,000-\$249,999
Cupola	\$250,000-\$499,999
Ruth Towne Carillon	\$500,000-\$999,999
Harry S Truman	\$1,000,000 and above

Source: Resolution of the Board dated October 20, 2006

Chapter 7

DONOR RECOGNITION – PLANNED GIFTS

Sections:

- 7.010. Joseph Baldwin Society
- 7.020. Special Recognition
- 7.030. Relationship of Societies

7.010. Joseph Baldwin Society. Alumni and friends of the University who provide planned gifts to the Corporation are to be honored and recognized for their gifts by membership in the Joseph Baldwin Society. Such membership will be accorded to each party or married couple who meets one or more of the following criteria:

1. Establish and maintain a bequest of any size to the University or the Corporation, and provide a copy of the bequest document or other form of written verification to the Corporation;
2. Name the Corporation or the University as beneficiary of a paid-up life insurance policy, or a policy that the donors pledge to maintain by making premium payments until the policy is fully paid, and provide the appropriate documentation to the Corporation; or
3. Contribute a life income gift, life estate, lead trust, or other deferred gift in accordance with Section 5.080.

Source: Resolution of the Board dated October 20, 2000.
Cross-reference: Section 5.080 of Board Policies.

7.020. Special Recognition. Members are to be given additional recognition for the following contribution level:

- Fellow \$25,000 - \$99,999
- Distinguished Fellow \$100,000 and above
- Other designations of honor also may be awarded by the Board.

Source: Resolution of the Board dated October 20, 2000.

7.030. Relationship to John R. Kirk Society. Planned giving donors who were accorded life membership in the John R. Kirk Society for their planned gifts prior to July 1, 1993, are to be members of both the Kirk and Baldwin societies. Donors of planned gifts made after July 1, 1993, are not to receive dual membership in both societies unless the donors' gifts meet the requirements for membership in both the Joseph Baldwin Society and the John R. Kirk Society.

Source: Resolution of the Board dated September 25, 1993.

Chapter 8

FISCAL AND BUSINESS AFFAIRS

Sections:

- 8.010. Annual Fund
- 8.020. Withdrawal from Depositories
- 8.030. Sale of Securities
- 8.040. Annual Budget
- 8.050. Expenditure of Funds
- 8.050.1 Spending Policy
- 8.060 Endowment Fund Preservation
- 8.060.5 Quasi Endowment
- 8.070. Purchasing
- 8.080. Annual Audits

8.010. Annual Fund. The Annual Fund contains unrestricted funds and may be used to pay operating expenses, to provide scholarships and awards, to fund special programs and projects, or for other budgeted purposes. The Annual Fund is to be expended in accordance with the budgets and related policies approved by the Board. Any portion of the Annual Fund which is not expended during a particular fiscal year may be transferred at the end of the year to the endowment or capital funds by the Executive Secretary and the Treasurer.

Source: Resolution of the Board dated September 25, 1993.

Cross-reference: Section 5.070 of Board Policies.

8.020. Withdrawal from Depositories. Necessary and proper withdrawals from corporate accounts in depositories are to be made in the following manner.

8.020.1. Authorization. Depositories are authorized to honor any and all checks, drafts, or other orders for the payment of money drawn in the name of the Corporation and signed on its behalf by any two of the following officers of the Corporation:

1. President;
2. Treasurer;
3. Deputy Treasurer; and
4. Assistant Treasurer.

8.020.2. Incumbency of Officers. The President or the Executive Secretary is authorized to certify, from time to time, the incumbency of the named offices.

8.020.3. University Accounts. This section does not apply to funds of the Corporation administered by the University through its depository accounts. Expenditures through the University's accounts are made by checks drawn on the University

after completion of the requisition process hereafter set forth in Section 8.050 concerning expenditure of funds.

Source: Resolution of the Board dated June 27, 1986.

8.030. Sale of Securities. Sales or transfers of securities are to be conducted in the following manner.

8.030.1. Authorization. Any two of the four officers named in this section are authorized:

1. To execute the sale or transfer of any notes, stocks, bonds, registered certificates, or other securities owned by the Corporation either individually or in its fiduciary capacity or held by the Corporation as collateral security;
2. To sign, execute and deliver any instruments or documents necessary or proper for the sale or transfer of such securities, including, but not limited to, the appointment of an attorney or attorneys in fact to effect the transfer of such securities on the books of any corporation or association; and
3. To sign any orders, instructions or agreements covering such securities for which the certificates or other evidence of ownership are held by banks or trust companies for safekeeping.

8.030.2. Named Officers. The four officers authorized to sell or transfer securities under this section, any two of whom may act in regard to such sale or transfer, are the:

1. President;
2. Treasurer;
3. Deputy Treasurer; and
4. Assistant Treasurer.

8.030.3. Reliance by Third Parties. Third parties, and the agents of third parties, may rely upon, and act in accordance with, the written instructions of any two of the four officers named in this section for the Corporation's sale or transfer or such securities.

8.030.4. Incumbency of Officers. The President or the Executive Secretary is authorized to certify, from time to time, the incumbency of the four named officers.

Source: Resolutions of the Board dated June 22, 1991 and December 6, 1991.

8.040. Annual Budget. Prior to the beginning of each fiscal year, the President presents to the Board a proposed budget for anticipated expenditures during the next fiscal year. The budget approved by the Board for a particular year, as amended by the Board during the year, serves as the basis for all expenditures.

Source: Resolution of the Board dated January 30, 1986.

8.050. Expenditure of Funds. Expenditures of corporate funds are initiated by requisitions, in accordance with Subsection 8.070.1 concerning requisition requirements. Such expenditures must be within the amounts set forth in the budget for the applicable fiscal year, as last amended by the Board, and no expenditures are to be made without approval of the Treasurer, the Deputy Treasurer, or the Assistant Treasurer.

Source: Resolutions of the Board dated January 30, 1986 and June 27, 1986.

8.050.1 Spending Policy. The amount of funds available for expenditures from endowed and quasi-endowed accounts is 4.5 percent of a three-year moving market average.

Source: Resolution of the Board dated October 20, 2000.

8.060. Endowment Fund Preservation. The goal is to preserve and maintain the real purchasing power of the principal in the endowment fund, and the limits on spending from the endowment fund should recognize inflationary pressures.

Source: Resolution of the Board dated September 25, 1993.

8.060.5 Quasi Endowment. Funds not endowed through written agreement with the donor may be treated as endowed by Foundation Board action. These funds will be classified as “quasi-endowed.”

Source: Resolution of the Board dated October 20, 2000.

8.070. Purchasing. The goal is to procure goods and services at the “lowest and best price,” by giving a fair and competitive opportunity for the furnishing of such goods and services to all interested vendors.

8.070.1. Requisition Requirements. All purchases of materials are to be initiated by a requisition approved by the President or the Executive Secretary, or their designees, and the purchases are to be handled on behalf of the Corporation by the University’s Purchasing Department.

8.070.2. Bidding Requirements. Purchases for \$3,000 or less require no formal bid process. Purchases for more than \$3,000, but less than \$5,000, may be made through the solicitation of telephone bids. Purchases in excess of \$5,000 are to be made through the solicitation of written bids.

8.070.3. Exceptions to Normal Bidding Requirements. Exceptions to the normal bidding requirements are authorized, and the purchases may be made on a negotiated basis without bids if approved by the President or the Executive Secretary, under either of the following circumstances:

1. When a donor gift is earmarked for a specifically named item, which is available from only one company, or which is available from a particular company prescribed by the donor; the donor is paying more than one-half the cost, and the Corporation's share of the cost is less than \$5,000. If the Corporation's share of the cost is more than \$5,000, or one of the other conditions is not met, the project must be bid in the normal manner, unless submitted to and approved by the Board as a specific exception.
2. When the purchase involves unique items, including equipment or supplies constructed for special purposes which do not lend themselves to competitive bidding, and the cost is less than \$5,000. If the cost is more than \$5,000, the project must be bid in the normal manner, unless submitted to and approved by the Board as a specific exception.

Source: Resolutions of the Board dated June 26, 1993 and December 9, 1995.

8.080. Annual Audit. An annual audit of the Corporation's financial records is to be made by the public accounting firm employed by the University for the audit of its financial records.

Source: Accounting standards for affiliated corporations.

Chapter 9 INVESTMENTS

Sections:

- 9.010. General
- 9.020. Scope
- 9.040. Objectives
- 9.050 Delegation of Authority
- 9.050.1.1. Investment Committee
- 9.060. Ethics and Conflict of Interest
- 9.070. Fund Asset Allocation and Rebalancing
- 9.080. Diversification
- 9.090. Social Responsibility
- 9.100. Internal Control
- 9.110. Performance Standards
- 9.120. Reporting
- 9.130. Annual Review
- 9.140. Deviations

9.010. General. The funds available for investment are to be invested in accordance with this chapter in a manner that will achieve a competitive total return (income plus capital appreciation) commensurate with a moderate risk posture by investing in a diversified portfolio of equity and fixed income investments, with the exception that funds designated for short-term use will be invested with the intent of principal preservation.

Source: Resolution of the Board dated October 17, 1997.
Resolution of the Board dated May 25, 2005.
Resolution of the Board dated October 21, 2005.

9.020. Scope. All funds owned or controlled by the Corporation, which are eligible for investment, are covered by this policy, and such funds are to be accounted for in the Corporation's annual financial reports. The investments are to include, but are not limited to, eligible funds from the following accounts:

1. Loan funds;
2. Unrestricted funds;

3. Quasi-endowment funds; and
4. Endowment funds.

Source: Resolution of the Board dated October 17, 1997.
Resolution of the Board dated May 25, 2005.

9.040. Objectives. The Corporation's assets shall be invested in accordance with sound investment practices. The primary objective for the Corporation's assets is to maintain the real value of assets over the long-term. To that end, the portfolio should be invested to earn a rate of return that keeps pace with or exceeds the rate of spending plus inflation (approximately 7.5%, assuming a long-term annual average of roughly 3% inflation), and a passive set of market indexes representative of the Corporation's asset allocation, with the exception that assets intended to be spent short-term shall be invested to minimize principal risk and maintain their nominal value.

Source: Resolution of the Board dated October 21, 2005.

9.040.1. Safety. The investments of the Corporation are to be undertaken in a manner that is commensurate with a moderate risk posture. The Corporation has determined that risk is acceptable as measured by volatility (standard deviation) that is similar to the volatility level of the policy index when measured over a three-to-five-year rolling time period and a full market cycle.

9.040.2. Liquidity. The investment portfolio is to remain sufficiently liquid to enable the Corporation to meet all its goals and objectives for its fund.

9.040.3. Real Return. The investment portfolio is expected to achieve or exceed an annual average return over a complete market cycle (a three-to-five-year time period) of inflation (the proxy for inflation shall be the U.S. All-Urban Consumers Price Index, or CPI) plus 4.5 percent per annum, as noted above in Section 9.040.

Source: Resolution of the Board dated October 17, 1997.

9.040.4 Short Term Investments. Funds, other than Endowed funds, that are required or planned to be disbursed throughout the next 30 months shall be invested in minimum risk, liquid, interest bearing investments such as Money Market Funds and U.S. Treasury Bills. Other funds that have specific requirements to include preservation of capital and have a limited life cycle should also be considered for Short Term Investment. The Treasurer and the Chief Advancement Officer, working with the Investment Committee shall determine the funds to be classified

as Short Term Investments on a regular basis. Interest that Short Term Investments earn shall not be averaged into the overall return for Long Term Investments (Endowed funds).

Source: Resolution of the Board dated October 21, 2005.

9.050. Delegation of Authority. The duties and responsibility for the Corporation's investments are set forth for both Corporation representatives and investment managers.

9.050.1 Responsibilities of the Corporation Representatives. Oversight for the Corporation's assets rests with the Board of Directors (the "Directors"). The Directors are responsible for defining the investment objectives and policies for the Corporation's assets. The President of the Corporation is responsible for implementing or recommending changes in approved policy, guidelines and objectives and such other duties as may be described in this policy or delegated by the Directors. The President may appoint administrators to assist in the management of the Corporation's assets. The President is responsible for the establishment and maintenance of a controls system to regulate the activities of any consultants, administrators, and investment managers that have been appointed by the Directors.

9.050.1.A The President of the corporation shall have the authority to vote the shares of any and all investments (stocks, mutual funds, money market funds, etc.) that the Corporation may own or hold when any vote is solicited by the investment being owned or held. The President shall solicit the recommendation from the Investment Committee on all voting matters that come before the Corporation regarding investment owned or held by the Corporation. The President may attend or may appoint a Board Member to attend any shareholder meeting for any investment that the Corporation owns or holds and vote such shares.

Source: Resolution of the Board dated October 21, 2005.

9.050.1.1. Investment Committee. The President shall appoint an investment committee for the purpose of oversight of investment activities and developing recommendations to be considered by the entire Board.

The investment committee shall be a standing committee, appointed by the President, of three board members having strong backgrounds in

investment/financial management. The Treasurer and Chief Advancement Officer shall serve as ex-officio members of the investment committee. The Treasurer may move investments to temporary cash accounts with approval of the President and a majority approval of the investment committee.

Source: Resolution of the Board dated October 20, 2000.

Resolution of the Board dated May 25, 2005.

9.050.2. Responsibilities of the Investment Managers. This policy contemplates the use of separately managed accounts with various investment firms, however mutual or other commingled funds may be used to implement the investment strategy of the fund.

9.050.2.1. Mutual and other commingled funds. For mutual and other commingled funds, the prospectus or Trust documents of the fund(s) will govern the investment policies of the fund investments.

9.050.2.2. Investment Managers. Each investment manager is to manage the Corporation's assets in a manner consistent with the investment objectives, guidelines, and constraints outlined in this statement and in accordance with applicable laws. This would include discharging responsibilities with respect to the endowments consistent with "Prudent Investor" standards, and all other fiduciary responsibility provisions and regulations. Each investment manager shall at all times be registered in good standing as an investment adviser under the Investment Advisers Act of 1940.

Except as noted in this policy, each investment manager shall have the discretion to determine their portfolio's individual securities selection.

Each investment manager is responsible to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. The investment managers shall vote proxies according to their established Proxy Voting Guidelines. A copy of these guidelines, and/or summary of proxy votes shall be provided to the Corporation upon request.

The Corporation's assets managed in separately managed accounts may not be used for the following purposes:

1. Short Sales
2. Purchases of letter stock, private placements, or direct payments
3. Leveraged transactions
4. Purchases of securities not readily marketable
5. Commodities transactions
6. Puts, calls, straddles, or other option strategies, except that covered calls are permitted
7. Purchases of real estate and natural resource properties such as oil and gas or timber investments with the exception of Real Estate Investment Trusts or mutual funds containing such.
8. Investments in limited partnerships
9. Direct purchases of non-U.S. dollar denominated securities
10. Investments in the securities of each of the investment manager's own securities and their affiliates, or subsidiaries (excluding money market or other commingled funds as authorized by the Directors)
11. Any other security transaction not specifically authorized in this policy statement, unless approved, in writing, by the Directors. Requests by investment managers to execute transactions that are not currently authorized in this policy should be made prior to executing such transactions.

Transactions or unanticipated market actions that could result in a deviation from this policy should be brought to the attention of the Directors and their advisors by the investment manager prior to executing transactions when practical.

Each investment manager's primary responsibility shall be to seek to obtain best net price and execution for the endowments. Execution capability, price, and overall effectiveness shall be considered, along with commission rate.

Source: Resolution of the Board dated October 17, 1997.
 Resolution of the Board dated October 22, 2004.
 Resolution of the Board dated May 25, 2005.

- 9.060. Ethics and Conflicts of Interest. Members of the Board of Directors, officers, and employees of both the Corporation and the University involved in the investment process are to refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Members of the Board of Directors, employees, and investment agents are to disclose to the President any material interests in financial institutions that conduct business with the Corporation, and they are to further disclose any large personal financial/investment positions

that could be related to the performance of the Corporation’s portfolio. Members of the Board of Directors, employees, and investment agents shall subordinate their personal investment transactions to those of the Corporation.

Source: Resolution of the Board dated December 6, 1997.
Resolution of the Board dated May 25, 2005.

9.070. Fund Asset Allocation and Rebalancing. The corporate funds available for investment are to be invested according to the following parameters; with the exception that funds intended to be spent in the short-term shall be segregated and invested in cash equivalents.

Source: Resolution of the Board dated October 21, 2005.

Existing Targets and Ranges:

Asset Class	Minimum	Target Ave.	Maximum
Domestic Large/Medium Cap Equity	40%	50%	60%
International Equity	0%	10%	20%
Total Equity	50%	60%	70%
Investment Grade Fixed Income	30%	40%	50%
Cash and Cash Equivalents	0%	--	10%

Proposed Targets and Ranges:

Asset Class	Minimum	Target	Maximum
Domestic Large Cap Equity (Std Dev~16%)	32%	42%	52%
Domestic Small Cap Equity (Std Dev~21%)	3%	6%	9%
International Equity (Std Dev~20%)	8%	12%	16%
Real Estate Securities (Std Dev~14%)	2%	5%	8%
Investment Grade Fixed Inc. (Std Dev~8%)	26%	29%	32%
High Yield Fixed Income (Std Dev~12%)	3%	6%	9%
Cash and Cash Equivalents (Std Dev~3%)	0%	<1%	3%

Equity securities include common stocks and convertible securities issued by U.S.-based companies and mutual funds holding such securities.

Convertible securities include securities that are convertible into the common stock of U.S.-based companies; this includes convertible bonds, convertible preferred stock and mandatory convertible securities (e.g., PERCs, CHIPs, ELKs). Private placement issues, also known as “144A” issues may not be purchased. Individual convertible securities should be rated “A” (or its equivalent) or higher.

Fixed income securities include domestic fixed and variable rate bonds and notes issued by the U.S. Government and its Agencies, U.S. corporations, Yankee bonds and notes (bonds or

notes issued by non-U.S.-based corporations but traded in the U.S.), securitized mortgage (e.g., GNMA, FNMA, FHLMC), asset-based securities, preferred stock, and mutual funds holding such securities.

International securities allowed are sponsored and unsponsored American Depositary Receipts (ADR) or American Depositary Shares (ADS) and international mutual funds. Equities of foreign domiciled companies that are traded in the U.S. may be purchased so long as the securities are registered (or filed) with the Securities Exchange Commission, traded on a recognized national exchange or over the counter market, and conform to the liquidity constraints already described.

Source: Resolution of the Board dated October 22, 2004.
Resolution of the Board dated October 21, 2005.
Resolution of the Board dated May 25, 2005.

9.070.1 Rebalancing the asset allocation strategy. In the absence of portfolio cash flows, whenever a single asset class' allocation exceeds its target ranges as expressed above, all asset classes shall be rebalanced back to the targets expressed above. Portfolio cash flows may also be used to effect rebalancing. Deviations from the asset mix may be authorized in writing by the Directors when they determine that the aggregate deviation does not constitute a material departure from the spirit of the target allocation.

Source: Resolution of the Board dated October 17, 1997.
Resolution of the Board dated May 25, 2005.

9.080. Diversification. Investments are to be diversified in accordance with the following parameters:

1. Investments in any one individual equity security should not exceed approximately 10 percent of the market value of the investment manager portfolio.
2. Investment in any one economic sector should not exceed 25 percent of the market value of the investment manager portfolio.
3. Holdings of any single issue in this portfolio should not exceed more than 5 percent of the total outstanding common stock of any one company.
4. Fixed income securities should be rated investment grade or higher, at the time of purchase by a nationally recognized statistical rating agency, with the exception that up to 25% of the fixed income holdings of the portfolio may be rated below investment grade. At no time, however, shall more than 10% of the total portfolio be invested in non-investment grade (high yield) fixed income instruments. There is no constraint on the dollar weighted average quality of the portfolio.

5. Fixed income securities of a single issuer of issue, with the exception of U.S. Government and Agency securities, are limited to no more than 10 percent of the market value of the fixed income portion of the investment manager's portfolio. Corporate securities are limited to no more than 50 percent of the market value of the fixed income portion of the portfolio.
6. No more than 10 percent of the market value of the fixed income portion of the portfolio may be invested in zero coupon bonds or in Collateralized Mortgage Obligations.
7. There is no constraint on the maturity of any single fixed income security; however, the dollar weighted average duration of the investment grade portion of the portfolio should not exceed a range of +/- 35% of that of the fixed income benchmark(s) for investment grade fixed income securities.
8. Securities purchased should be registered with the Securities and Exchange Commission and traded on a recognized U.S. stock exchange or over-the-counter market.
9. It is generally expected that the investment manager will remain fully invested in equity and fixed income securities; however, it is recognized that cash reserves may be utilized from time to time to provide liquidity or to implement some types of investment strategies. Cash reserves should be held in the custodian's money market fund.

Source: Resolution of the Board dated October 17, 1997.
Resolution of the Board dated May 25, 2005.

9.090. Social Responsibility. Direct investments in the securities of companies in the following categories are to be avoided:

- Corporations that conduct substantial operations in countries whose governments are known to violate basic human rights and fundamental freedoms.
- Corporations that derive a substantial portion of their sales revenue from the manufacture and/or sale of tobacco products.

Source: Resolution of the Board dated December 6, 1997.
Resolution of the Board dated May 25, 2005.

9.100. Internal Control. An annual process of independent review by an external auditor or consultant is to be established and maintained by the President and his/her designees. Such a review is to provide internal control by assuring compliance with policies and procedures.

Source: Resolution of the Board dated October 17, 1997.
Resolution of the Board dated May 25, 2005.

9.110. Performance Standards. The performance standards for invested funds set forth in this section are to be observed and monitored carefully.

9.110.1. Primary Benchmark. The performance of the investment manager will be measured versus two passive indices as follows: 1) a balanced index composed in proportional amounts of appropriate indices for each underlying asset class, 2) a policy index composed of 45% S&P 500 Index, 15% MSCI EAFE Index, and 40% Lehman Brothers Aggregate Index. (For the balanced index, e.g., domestic small

cap equities shall be measured versus the Russell 2000 Index or other indices as appropriate based on the strategy or strategies employed). Indices including but not limited to the following may be utilized in performance comparisons: The S&P 500 Index, the MSCI EAFE Index, the Russell 2000 Index, and the Lehman Brothers Aggregate Bond Index. The portfolio is expected to meet or exceed the average annual returns of these benchmarks on a risk-adjusted basis over three-to-five-year rolling time periods.

9.110.2. Secondary Benchmarks. The long-term annual average return objective of the portfolio is to meet or exceed a return of 4.5 percent plus inflation (the proxy for inflation shall be the U.S. All-Urban Consumers Price Index, or CPI), as noted above in Section 9.040, “Objectives.” The portfolio is expected to meet or exceed the passive index return and the return target each measured on a compound annualized return basis, after the deduction of investment management fees, and annualized over a three-to-five-year rolling time period and a full market cycle. The volatility of the portfolio should be similar to the policy index.

9.110.3 Performance Evaluation. The Directors will evaluate the Corporation’s successes in achieving the investment objectives outlined in this document over a three-to-five-year rolling time horizon and a full market cycle. The Corporation’s performance should be reported in terms of rate of return and changes in dollar value. The returns should be compared to appropriate market indexes, for the most recent quarter and for annual and cumulative prior time periods. The Corporation’s asset allocation should also be reported on a quarterly basis. Risk as measured by volatility, or standard deviation, should be evaluated after 12 quarters of performance history have accumulated. An attribution analysis should also be performed for the separately managed accounts, to evaluate how much of the Corporation’s investment results are due to the investment manager’s investment decisions, as compared to the effect of the financial markets. It is expected that this analysis will use the “policy index” as the performance benchmark for evaluating both the returns achieved and the level of risk taken. Each investment manager’s performance will also be evaluated in a similar fashion according to the performance standards outlined in their individual policy statements.

Source: Resolution of the Board dated October 17, 1997.

Resolution of the Board dated May 25, 2005.

9.120. Reporting. Each investment manager is to keep the President or his/her designee apprised of any material changes in the investment manager's outlook, investment policy, and tactics. Each investment manager is to meet with the Directors annually to review and explain their portfolio's investment results. Each investment manager is to be available on a reasonable basis for telephone communication when needed. Any material event that affects the ownership of each investment management firm or the management of the Corporation's funds must be reported promptly to the President and his designate. It is the responsibility of the President to keep the Board of Directors informed of any material events that may affect the management of the endowments. An independent consultant is to provide written performance reports to the Board of Directors at least quarterly. The custodian is to provide monthly statements of assets and transactions.

Source: Resolution of the Board dated October 17, 1997.

Resolution of the Board dated May 25, 2005.

9.130. Annual Review. The investment policies set forth in this chapter are to be reviewed by the President on an annual basis, and any recommendations for modifications are to be submitted to the Board of Directors.

Source: Resolution of the Board dated October 17, 1997.

Resolution of the Board dated May 25, 2005.

9.140. Deviations. Deviations from the investment policies and constraints outlined in this document may be authorized in writing by the Board of Directors when they determine that the aggregate deviation does not constitute a material departure from the spirit of this investment policy.

Source: Resolution of the Board dated October 17, 1997.

Resolution of the Board dated May 25, 2005.

Chapter 10

FACULTY AND STAFF LOANS

Sections:

- 10.010. General
- 10.020. Terms and Conditions
- 10.030. Limitations

10.010. General. The President, and his/her designees, may make emergency loans to faculty and staff members of the University when such employees are confronted with unexpected financial crises and have exhausted all other sources of funds. Such loans are to be made in accordance with the guidelines of this chapter.

Source: Resolution of the Board dated September 12, 1992.

10.020. Terms and Conditions. The loans are to be short-term, usually less than three months, and are to bear interest at the same rate as emergency loans to students. In order to qualify for such loans, the employees must agree to treat such loans as debts to the University as well as the Corporation and to authorize the University to withhold salary and other payments from the employees if their loans from the Corporation are in default. Other terms and conditions of such loans may be established by the President and his/her designees.

Source: Resolution of the Board dated September 12, 1992.

Cross-reference: Subsection 11.030.2 of Board Policies.

10.030. Limitations. The total principal amount of loans outstanding for any one employee is not to exceed \$1,000 at any given time, and the total principal amount of loans outstanding for all employees is not to exceed \$5,000 at any given time.

Source: Resolution of the Board dated September 12, 1992.

Chapter 11

STUDENT LOANS

Sections:

- 11.010. Eligibility Requirements
- 11.020. General Guidelines
- 11.030. Short-term Loans
- 11.040. Cultural Development Loans
- 11.050. Long-Term Loans
- 11.060. Computer Purchase Loans
- 11.070. Annual Review

11.010. Eligibility Requirements. Loans are to be limited to students who:

1. Are currently enrolled at the University on a full-time basis;
2. Have completed at least 12 credit hours of course work at the University;
3. Have a good credit rating;
4. Demonstrate the ability to repay the loans on a timely basis; and
5. Agree to treat such loans as debts to the University as well as the Corporation and, in case of default, to accept the same sanctions and penalties as imposed by the University for delinquent student accounts.

Other requirements for specific types of loans are set forth in the following sections of this chapter.

Source: Resolution of the Board dated August 11, 1989.

11.020. General Guidelines. The general guidelines for student loans are set forth in the following manner.

11.020.1. Application Procedure. Applications for loans are to be delivered to the University's Financial Aid Office. Such applications are to be approved or denied by the Financial Aid Director, and approved applications are to be forwarded to the Business Office for processing. Students whose loan applications are denied are to be notified on a timely basis, and such students are to be given two weeks after their respective notices of denial to file appeals with the Financial Aid Committee, as referenced below in Subsection 11.020.4.

11.020.2. Promissory Notes. All loans are to be made under the supervision of the Controller of the University, and such loans are to be evidenced by promissory

notes in a form approved by the Controller. The promissory notes are to provide, in case of default, for the reimbursement of attorney fees and other necessary costs of collection. The promissory notes, or collateral documents, also are to call for the student borrowers to agree that such loans are to be treated as debts to the University, as well as the Corporation, and that failure to repay the loans on a timely basis will cause the same sanctions and penalties as imposed by the University for delinquent student accounts.

11.020.3. Deferment of Repayment. Repayment of cultural development loans and long-term loans may be deferred by the Financial Aid Committee for debtor students attending graduate or professional schools on a full-time basis. Deferments may not be granted for more than one year at a time and are to end automatically upon a student's cessation of full-time enrollment at a graduate or professional school. The maximum period of deferment for any student is five years. Interest on such loans must be fully paid, at least semiannually, by the debtor students during their authorized deferment periods.

11.020.4. Financial Aid Committee. A Financial Aid Committee is appointed and maintained by the President of the University, and the President designates the chairperson of the Committee. In addition to its work for the University, the Committee is to review any appeals of students whose applications for loans from the Corporation have been denied by the Financial Aid Director, and the Committee may approve such loans if they meet the applicable rules. The Committee also has the authority to waive one or more of the applicable rules listed in this chapter if a student's loan application seems particularly meritorious, and the Committee believes there are special circumstances to justify the waiver.

11.030. Short-term Loans. The President, and his and her designees, may make short-term loans to eligible students for college related expenses under the following circumstances.

Source: Resolution of the Board dated April 2, 2005.

11.030.1. Specific Eligibility. Short-term loans are to be granted only to students who meet the general eligibility requirements set forth in this chapter, and who have earned a cumulative grade point average of at least 2.20 in courses taken at the University.

Source: Resolution of the Board dated April 2, 2005.

11.030.2. Terms and Conditions. Short-term loans also are subject to the following terms and conditions:

1. *Maximum Amount.* The maximum amount per student is not to exceed \$1,000, either as a single loan or as a total outstanding balance.
2. *Interest.* Simple interest charged is to be 5 percent per annum on the unpaid balance with interest to accrue from the date of the loan.
3. *Repayment.* The due dates for repayment are not to extend beyond the last day of the academic year in which the loans are granted.
4. *Deferment.* Deferment of repayments may be granted with the approval of the Director of Financial Aid or the Controller.
5. *Third-Party Guarantee.* Third-party guarantees for such loans may be required by the Financial Aid Director or the Controller.

Source: Resolution of the Board dated April 2, 2005.

11.030.3. Special Provisions. The following special provisions also apply to short-term loans:

1. The International Student Advisor may approve short-term loans for international students, if the loan applications meet the stated criteria.
2. The Financial Aid Director may waive the grade point average requirement or coursework requirement for students who have qualified for federal financial aid, whose financial aid checks are expected to be received by the Financial Aid Office within a short time, and whose financial aid can be used to repay the short-term loans.

Source: Resolutions of the Board dated August 11, 1989, and June 26, 1993.
Resolution of the Board dated April 2, 2005.

11.040. Cultural Development Loans. The President, and his/her designees, may make loans to eligible students for expenses related to University sponsored “study abroad” programs under the following circumstances.

11.040.1. Specific Eligibility. Cultural development loans are to be granted only to students who meet the general eligibility requirements set forth in this chapter, and who meet at least one of the following requirements:

1. Earned at least a 2.50 cumulative grade point average in courses taken at the University;
2. Earned at least a 2.50 grade point average in foreign language courses taken at the University; or
3. Enrolled in a foreign language class at the University for which a “study abroad” experience is either required or strongly recommended.

11.040.2. Terms and Conditions. Cultural development loans also are subject to the following terms and conditions.

1. *Maximum Amount.* The maximum amount per student is not to exceed \$5,000, or the cost of the trip, whichever is less, either as a single loan or as a total outstanding balance.
2. *Interest.* Simple interest charged is to be 5 percent per annum on the unpaid balance with interest to accrue from the date of the loan.
3. *Service Charge.* No service charge is to be assessed.
4. *Repayment.* Interest payments are to be made semiannually on May 1st and November 1st of each year until amortization payments of principal and interest are required to begin. Amortized payments of at least sixty dollars per month are to begin three months after a debtor student leaves the University through graduation, withdrawal, transfer, or any other reason. The monthly payments are to be calculated to repay the loan in full, both principal and interest, within five years after the scheduled commencement of payments.
5. *Deferment.* Deferment of repayments may be granted by the Financial Aid Committee in accordance with the provisions set forth in this chapter.
6. *Third-Party Guarantee.* A third-party guarantee for such loans is required, and the guarantor is subject to approval of the Financial Aid Director and the Controller. The third-party guarantor is normally the student's parent or guardian. If the student is married, the student's spouse must also guarantee the loan.

Source: Resolutions of the Board dated August 11, 1989, and June 26, 1993.
Resolution of the Board dated April 2, 2005.
Resolution of the Board dated April 8, 2006.

11.050. Long-Term Student Loans. The President, and his/her designees, may make long-term loans for college related expenses to eligible students, who have no other source of funds and can not continue their enrollment at the University without additional financial assistance, under the following circumstances:

11.050.1. Specific Eligibility. Long term loans are to be granted only to students who meet the general eligibility requirements set forth in this chapter and who meet all of the following requirements:

1. Achieved at least the sophomore class level;
2. Achieved either a cumulative grade point average of 3.0 or higher for credit hours earned at the University or a composite ACT score of 25 or higher; and
3. Fully explored and utilized all federal student aid programs and other available sources of funds.

11.050.2. Terms and Conditions. Long-term loans also are subject to the following terms and conditions:

1. *Maximum Amount.* The maximum amount per student is not to exceed \$3,000 in any fiscal year or \$9,000 in total outstanding principal balance at any time.
2. *Interest.* Simple interest charged is to be 5 percent per annum on the unpaid balance, with interest to accrue from the date of the loan.

3. *Service Charge.* No service charge is to be assessed.
4. *Repayment.* Interest payments are to be made semiannually on May 1st and November 1st of each year until amortization payments of principal and interest are required to begin. Amortized payments of at least 60 dollars per month are to begin three months after a debtor student leaves the University through graduation, withdrawal, transfer, or any other reason. The monthly payments are to be calculated to repay the loan in full, including both principal and interest, within five years after the scheduled commencement of payments.
5. *Deferment.* Deferment of repayments may be granted by the Financial Aid Committee in accordance with the provisions set forth in this chapter.
6. *Third-Party Guarantee.* A third-party guarantee for such loans is required, and the guarantor is subject to approval of the Financial Aid Director and the Controller. The third-party guarantor is normally the student's parent or guardian. If the student is married, the student's spouse must also guarantee the loan.

Source: Resolutions of the Board dated August 11, 1989, and June 26, 1993.

Resolution of the Board dated April 2, 2005.

11.060. Computer Purchase Student Loans. The President, and his/her designees, may make loans to eligible students toward the purchase of a computer, printer, or related software under the following circumstances.

11.060.1. Specific Eligibility. Computer purchase loans are to be granted only to students who meet the general requirements set forth in this chapter, with the exception that recipients do not need to have completed 12 credit hours of course work at the University. There are no special eligibility requirements for such loans.

11.060.2. Terms and Conditions. Computer purchase loans also are subject to the following terms and conditions:

Board Policies

1. *Maximum Amount.* The maximum amount per student is not to exceed \$2,000.
2. *Interest.* Simple interest charged is to be 5 percent per annum on the unpaid balance, with interest to accrue from the date of the loan.
3. *Service Charge.* No service charge is to be assessed.
4. *Repayment.* Loans are to be paid on an amortized basis over a two-year period beginning 30 days after disbursement.
5. *Deferment.* Deferment of repayments is not to be granted.
6. *Third-Party Guarantee.* A third-party guarantee for such loans is required by the student's parent or guardian. If the student is married, the student's spouse must also guarantee the loan.
7. *Proof of Purchase.* Students must submit receipts for the full amount borrowed, documenting the purchase of approved equipment, within 21 days of disbursement. If the documented and approved purchases are less than the loan amount, then the excess amount of the loan must be repaid immediately.

Source: Resolutions of the Board dated June 26, 1993 and June 17, 1995.

Resolution of the Board dated April 2, 2005.

11.70. Annual Review. The loan policies set forth in this chapter are to be reviewed on an annual basis, and any recommendations for interest rate changes or other modifications are to be submitted to the Board of Directors.

Source: Resolution of the Board dated April 2, 2005.

Chapter 12

STUDENT SCHOLARSHIPS

Sections:

- 12.010. Publicity
- 12.020. Selection and Criteria
- 12.030. Nondiscrimination
- 12.040. Named Recipients Limitation
- 12.050. Ineligibility

12.010. Publicity. Availability of scholarships is to be advertised to all currently enrolled students and, when appropriate, to prospective students.

Source: Resolution of the Board dated January 30, 1986.

12.020. Selection and Criteria. Scholarship recipients are to be selected, and the scholarships awarded, in accordance with the criteria established for the respective scholarships. If the persons authorized to select the recipient of a particular scholarship are not designated or are unable to serve, then the Executive Secretary or his/her designees may make the selection. All awards of scholarships that are administered by the Corporation are subject to the review and approval of the Executive Secretary.

Source: Established practice.

12.030. Nondiscrimination. Scholarships funded through the Corporation are to be available to all students who meet the criteria set forth by the donor regardless of race, creed, color, or national origin.

Source: Resolution of the Board dated January 30, 1986.

12.040. Named Recipients Limitation. Scholarships must be awarded in accordance with stated criteria, and the individual recipients of scholarships may not be named or selected by the donors, unless specifically approved by the Board in accordance with Section 5.060.

Source: Resolution of the Board dated January 30, 1986.

Cross-reference: Section 5.060 of Board Policies.

12.050. Ineligibility. Scholarships administered by the Corporation shall not be awarded to officers, directors, employees, or agents of the Corporation or to the spouses, children, grandchildren, or parents of such persons. Similarly, scholarships administered by the Corporation shall not be awarded to members of a selection committee, for any scholarships in which the committee has a voice in the selection of the awardees, or to the spouses, children, grandchildren, or parents of such persons.

Source: Established practice.

Cross-reference: Section 14.010 of Board Policies.

Chapter 13

FIDUCIARY RESPONSIBILITIES

Sections:

13.010. Statutory Provisions

13.020. Legal Review

13.010. Statutory Provisions. All funds and properties held in trust by the Corporation are to be administered in accordance with the provisions of Chapter 456 of the statutes.

Source: Chapter 456, RSMo.

13.020. Legal Review. All trust agreements and arrangements imposing fiduciary responsibilities on the Corporation are to be reviewed and approved by the General Counsel prior to their acceptance.

Source: Resolution of the Board dated January 30, 1986.

Chapter 14

CONFLICT OF INTEREST

Sections:

14.010. General Guidelines

14.020. Sponsored Projects

14.030. Conflict of Interest

14.010. General Guidelines. All officers, employees, and agents of the Corporation should avoid any potential conflict of interest and in general shall observe the guidelines set forth in Chapter 14 of the University's Code of Policies for officers, employees, and agents of the University.

Source: Established practice.

Section 355.416, RSMo.

Cross-reference: Section 12.050 of Board Policies.

14.020. Sponsored Projects. The University recognizes the requirement of an institutional conflict of interest policy for research or educational activities funded or proposed for funding by federal agencies, such as the National Science Foundation and the National Endowment for the Humanities. It is the policy of the University to comply with the financial disclosure requirements for funding of sponsored projects by federal agencies and to apply the same or similar rules to all research or educational activities funded, or proposed for funding, by an external sponsor.

The President of the University is authorized to adopt and implement appropriate policies and procedures to fulfill the intent of this section, and the policy established by the President of the University for compliance with federal rules for financial disclosure requirements of sponsored projects by federal agencies shall be considered the institutional policy of the University as fully as if such policy was specifically adopted by the Board.

Source: Resolution of the Board dated April 7-8, 1995.

14.030. Conflict of Interest

1. Purpose

Members of the Board of Directors of the Truman State University Foundation (hereafter "Board") serve the Foundation and the University and are expected to exercise their duties and responsibilities solely in the interest of the Foundation and the University and not in the member's own personal or financial interest.

Board Policies

2. Policy

(a) No member of the Board shall vote on, attempt to influence the vote of other members of the Board or attempt to influence the decision of the Board with regard to any matter under consideration by the Board in which the action will result in a material financial gain or material personal gain for the Board member or his immediate family.

(b) No member of the Board shall act or refrain from acting, in connection with his or her duties and responsibilities as a member of the Board, by reason of the payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value by the Board member or his immediate family.

(c) No member of the Board shall use in any manner whatsoever or disclose to others confidential information obtained in connection with his or her duties and responsibilities as a member of the Board with intent to result in material financial gain or material personal gain for the Board member or his immediate family.

(d) The Board requires each member annually:

(i) to review this policy; and

(ii) to disclose any possible personal, familial or business relationships that reasonably could give rise to a conflict involving the Board.

3. Definitions

(a) Business relationship-serving as an officer, director, employee, partner or trustee, or owning more than ten percent of the outstanding stock or interest in a business entity.

(b) Conflict of Interest-Any situation in which a Board member's judgement or conduct in the performance of the member's official duties for the Board would be influenced by the Board member's familial, personal, or business relationship with a third party, or any situation that would be deemed a conflict of interest under the laws of the United States or the laws of the State of Missouri. A familial relationship that is not within the fourth degree of consanguinity or affinity will not be considered the basis of a conflict of interest.

(c) Immediate family-Your spouse and the children, parents and siblings of you or your spouse.

4. Procedure

(a)(i) If a member of the Board reasonably believes that he or she or another

Board Policies

Board member has a conflict of interest, a potential conflict of interest or reasonably believes that the general public might perceive that a conflict of interest exists with regard to any matter that is under consideration by the Board, he or she shall report such conflict of interest, potential conflict of interest or perceived conflict of interest to the President of the Board at the earliest opportunity and , if possible, prior to any discussion, deliberation or vote by the Board on that matter.

(ii)Unless the member of the Board voluntarily agrees to abstain from all such discussions and voting on the matter, the President of the Board shall determine whether an actual or perceived conflict of interest exists and , if so, shall request that such member of the Board refrain from all such discussions and voting on the matter. If requested by the President of the Board, the member shall be absent from all discussions, recommendations, determinations, decisions and voting on the matter.

(iii)If the President of the Board is the Board member whose financial or personal interest is at issue, the Vice-President of the Board shall determine whether an actual or perceived conflict of interest exists and, if so, shall request that the President of the Board refrain from all such discussions and voting on the matter and determine whether the President should be absent during discussions, recommendations, determinations, decisions and voting on the matter.

(iv)(a)In all cases the Board is the final authority on conflict of interest issues. Any Board member who has been requested by either the President of the Board or the Vice President of the Board to recuse himself or herself from discussions, recommendations, determinations, decisions and voting on a matter has the right to appeal this decision to the Board as a whole. In such a case, all Board members shall vote on the issue and a majority of the Board present shall be the final arbiter of whether said Board member shall abstain. The Board member whose financial or personal interest is the subject of any vote shall not be eligible to vote thereon. Whenever any member does not participate in a Board action by reason of a conflict as set out herein, the minutes of the Board shall so indicate.

(b) Each member of the Board shall complete and shall submit annually to the Secretary of the Board on or before February 1 of each year, the "Truman State University Foundation Board Conflict of Interest Disclosure Form", for the purpose of disclosing to the Board and to the public the Board member's financial interests.

(c) Truman State University Foundation Board
Conflict of Interest Disclosure Form

Time period covered: January 1, _____ to December 31, _____

Name: _____

Board Policies

Use this form to disclose business interests or investment interests that reasonably could give rise to a conflict involving the Foundation Board. Use the space below to disclose the name(s) of any such business or investment interest(s) with which you are associated and the nature of that business or investment interest.

Source: Resolution of the Board dated April 5, 2008.

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BOARD BYLAWS

Board of Directors

Truman State University Foundation

May 1, 2009

APPENDIX A: BYLAWS

**Of the Board of Directors of the
Truman State University Foundation**

May 1, 2009

BYLAWS

Truman State University Foundation

ARTICLE I. GENERAL PROVISIONS

- Section 1. *Name of Corporation.* The name of the corporation is the “Truman State University Foundation,” as provided in the corporate documents on file with the Secretary of State.
- Section 2. *Purpose of Corporation.* The purpose of the corporation, as set forth in the articles of incorporation, is to promote the welfare of Truman State University.
- Section 3. *Corporate Status.* The corporation is a not for profit corporation, organized and existing under the provisions of Chapter 355 of the statutes.
- Section 4. *Purpose of Bylaws.* The purpose of these bylaws is to provide for the regulation and management of the corporation as contemplated by Section 355.100 of the statutes.
- Section 5. *No Provisions for Membership.* As provided in the articles of incorporation, the corporation shall have a self-perpetuating board of directors, and the corporation shall not have members.
- Section 6. *Statutory References.* All references in these bylaws to the statutes, unless otherwise noted, shall mean the Revised Statutes of Missouri.
- Section 7. *Other References.* Unless otherwise noted, the following references in these bylaws shall mean the following:
- A. The term “board of governors” shall mean the Board of Governors for Truman State University.
 - B. The term “president of the university” shall mean the President (or the Acting President) of Truman State University.
 - C. The word “university” shall mean Truman State University.
 - D. The word “corporation” shall mean the Truman State University Foundation.

ARTICLE II. BOARD OF DIRECTORS

- Section 1. *General Powers.* The business and affairs of the corporation shall be managed by the board of directors.
- Section 2. *Number of Directors.* The board will consist of no more than twenty-four (24) voting members. In addition, the chief advancement officer/executive secretary and the controller/treasurer shall serve as ex-officio members with no voting privileges.
- Source: Resolution amended October 17, 2003 and January 14, 2005.
- Section 3. *Tenure and Qualifications.* The board will consist of three members of the University Board of Governors, appointed annually by the president of the University Board of Governors; and the President of the University; and up to twenty (20) additional

members, selected in accordance with the procedures set forth in Section 3.015 of the Foundation Code of Policies relating to the Nominating Committee.

Source: Resolutions amended October 17, 2003 and October 22, 2004 and January 14, 2005.

Section 4. *Regular Meetings.* Regular meetings of the board of directors shall be held without other notice than this bylaw in conjunction with, and at the same place as, the regular meetings of the board of governors. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 5. *Special Meetings.* Special meetings of the board of directors may be called by the president or any four directors. The person or persons authorized to call special meetings of the board of directors shall establish the time and place for holding any special meeting of the board of directors called by them.

Section 6. *Notice of Special Meetings.* Notice of any special meeting of the board of directors shall be given at least two days previous thereto by written notice delivered personally, or at least four days previous thereto by written notice properly sent by mail, telefax, or telegram, to each director.

Section 7. *Waiver of Notice.* Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice for such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. *Quorum.* A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 9. *Manner of Acting.* The act of the majority of the directors present at a meeting, at which a quorum is present, shall be the act of the board. The board may also act by written, telephonic or electronic consent or approval of a two-thirds majority of directors of the corporation. In such cases, all directors will be provided with information and a reasonable timeframe to cast a written vote.

Source: Resolution of the Board dated October 20, 2000.

Section 10. *Vacancies.* Prior to October 1, 1997, any vacancy occurring in the board of directors shall be filled through the proper appointment of a new president (or acting president) of

the university by the board of governors or by the proper appointment of a new member of the board of governors by the Governor of the State of Missouri, according to Article II, Section 3 of these Bylaws, relating to Tenure and Qualification.

For the period of October 1, 1997 through June 30, 1998, inclusive, any vacancy occurring in the Board of Directors by virtue of death, resignation, or removal of the president of the university or a member of the board of governors of the university, shall be filled through the proper appointment of a new president (or acting president) of the university by the board of governors or by the proper appointment of a new member of the board of governors by the Governor of the State of Missouri, in accordance with Article II, Section 3 of these Bylaws, relating to Tenure and Qualification. After October 1, 1997, any vacancy occurring by reason of the death, resignation, or removal of any other member of the Foundation Board shall be filled by appointment by the board of directors of the Foundation in accordance with Section 3.015 of the policies of the Foundation relating to the Nominating Committee.

Section 11. *Gratuitous Service.* Directors shall not receive any salaries for their services as directors.

Section 12. *Residuary Powers.* The board of directors shall have the powers and duties necessary or appropriate for the administration of the affairs of the corporation. All powers of the corporation shall be vested in the board of directors.

Section 13. *Meetings Through Communications Equipment.* Members of the board of directors, or of any committee designated by the board of directors, may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

ARTICLE III. OFFICERS

Section 1. *Officers.* The principal officers of the corporation shall be a president, a vice president, an executive secretary, a treasurer, and a general counsel. Such other officers as may be deemed necessary may be elected or appointed by the board of directors.

Section 2. *Designation of Officers.* The principal officers of the Foundation shall hold office in the following manner. The president (or acting president) of the Foundation Board shall be elected by the Foundation Board in accordance with Article II, Section 9 of the Board Bylaws. Prior to July 1, 1998, the president of the board of governors shall be the vice

president of the Foundation. Subsequent to July 1, 1998, the vice president of the Foundation shall be elected by the Foundation Board.

The chief advancement officer (or other such employee of the university designated by the president of the university) shall be the executive secretary. The treasurer of the university shall be the treasurer of the foundation. The general counsel of the university shall be the general counsel of the Foundation.

Source: Resolution amended April 5, 2003.

Section 3. *Vacancies.* A vacancy in any office may be filled by the board of directors for the interim period until a new officer is qualified under the preceding section.

Section 4. *President.* The president shall be the principal officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He/she shall, when present, preside at all meetings of the board. He/she may sign the deeds, mortgages, bonds, contracts, or other instruments, which the board has authorized to be executed, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board from time to time.

Section 5. *Vice President.* In the absence of the president, or in the event of the president's death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall perform such other duties as from time to time may be assigned to him/her by the president or by the board.

Section 6. *Executive Secretary.* The executive secretary shall keep the minutes for all meetings of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provision of the bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation; prepare and cause to be delivered to the secretary of state an annual report in compliance with the provisions of the statutes of the state of Missouri; receive and give receipts for moneys due and payable to the corporation from any source whatever; deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provision of these bylaws; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president of the board.

Section 7. *Treasurer.* The treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety and sureties as the board of directors shall determine.

He/she shall have charge and custody of, and be responsible for, all funds and securities of the corporation; and in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the president or by the board.

Section 8. *General Counsel.* The general counsel shall provide legal services equivalent to those provided to the university.

ARTICLE IV. ORDER OF BUSINESS

Section 1. *Agenda for Meetings.* The agenda of business for regular special meetings of the board of directors shall be established by the president, subject to change by action of the board.

Section 2. *Parliamentary Procedure.* On questions of parliamentary procedure not covered by these bylaws, a ruling by the president shall prevail.

ARTICLE V. COMMITTEES

Section 1. *Appointment of Committees.* The board of directors may create such regular or special committee as it deems appropriate. The members of the committees shall be appointed by the president with the advice and consent of the board.

Section 2. *Term of Office.* Each member of a committee shall continue as such until his/her successor is appointed, unless the committee shall be sooner terminated or such member shall be removed from such committee by the board.

ARTICLE VI. FISCAL MATTERS

Section 1. *Contracts.* The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of, and on behalf of, the corporation, and such authority may be general or confined to specific instances.

Section 2. *Loans.* No loans shall be contracted on behalf of the corporation, and no evidence of indebtedness shall be issued in its name, unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. *Checks and Drafts.* All checks, drafts or other orders for the payment of money shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board, such instruments shall be signed by the executive secretary or the treasurer of the corporation.

Section 4. *Deposits.* All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select. In the absence of such determination, such funds shall be handled by the University through its “agency fund,” and requisitions for disbursement shall be signed by the president, the executive secretary, or the treasurer of the corporation.

Section 5. *Gifts.* The executive secretary may accept, on behalf of the corporation, any contributions, gifts, bequests, or devises for the general purpose of the corporation.

ARTICLE VII. BOOKS AND RECORDS

The corporation shall maintain complete and accurate books and records of account, minutes for meetings, and actions of the board of directors. All books and records of the corporation may be inspected by any director at any reasonable time. The board of directors shall cause an audit of the records of the corporation to be made each year by a competent auditor.

ARTICLE VIII. FISCAL YEAR

the fiscal year of the corporation shall begin on the 1st day of July and end on the 30th day of June in each year.

ARTICLE IX. INDEMNIFICATION AND INSURANCE.

Section 1. *Indemnification.* The corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that he/she is or was a director, officer, employee, or agent of the corporation, against expenses, including attorneys’ fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit, or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had

not reasonable cause to believe his/her conduct was unlawful. The indemnification shall be to the fullest extent permitted, and in the manner authorized, by Sections 355.461 through 355.501 of the statutes.

Section 2. *Insurance.* The board of directors may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the corporation would have the power to indemnify him/her against such liability under the provisions of Section 355.496 of the statutes.

ARTICLE X. SEAL

The board of directors shall authorize a corporate seal for the corporation, which shall be circular in form and shall have inscribed thereon the name of the corporation and the words "Corporate Seal."

ARTICLE IX. WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any director of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation, a written waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII. REPEAL OR AMENDMENT OF BYLAWS

These bylaws may be altered, amended, or repealed and new bylaws adopted, by a majority vote of the directors present at any regular meeting of the board, or at any special meeting of the board called for such purpose, at which a quorum is present. Provided, however, that proper notice of such action to change the bylaws shall be given in writing not less than seven or more than thirty days before such meeting and shall set forth such proposed alteration, amendment, or new bylaws.

Certification

TRUMAN STATE UNIVERSITY FOUNDATION

I hereby certify that the above and foregoing bylaws are a true and correct copy of the Bylaws of the Truman State University Foundation as originally adopted at a meeting of the board of directors on November 27, 1984, and as amended at meetings of the board on June 27, 1986; December 9, 1995; April 13, 1996; June 7, 1997; October 20, 2000; April 5, 2003; October 17, 2003; January 14, 2005; April 8, 2006; October 20, 2006; April 5, 2008; and April 4, 2009.

Mark Gambaiana
Vice President for University Advancement
Truman State University
May 1, 2009