

Adopted 2/1/1971  
Amended 12/06/1996  
Amended 6/06/2008  
Amended 3/6/2009  
Amended 6/11/2010  
Amended 8/5/2010  
Amended 3/11/2011  
Amended 6/17/2011  
Amended 9/23/2011  
Amended 12/14/2012  
Amended 06/28/2013  
Amended 9/23/2016  
Amended 9/2/2021

**BYLAWS  
OF  
THE ELIZABETH CITY STATE UNIVERSITY FOUNDATION**

**ARTICLE I. NAME, LOCATION, AND OFFICES**

**Section 1. Name.** The name of this corporation shall be The Elizabeth City State University Foundation (“Foundation”).

**Section 2. Registered Office and Agent.** For the purpose of service of process, notices, demands, and the like, the Foundation shall at all times maintain a registered office in the State of North Carolina and shall have a registered agent whose address is identical with the address of such registered office in accordance with the requirements of the North Carolina Nonprofit Corporation Act (North Carolina General Statute 55-A). All changes in the Foundation’s registered office or its registered agent shall be effected only in accordance with the applicable procedures set forth in the North Carolina Non-Profit Corporation Act and by the execution and filing with the Secretary of State of such forms and other papers as may be required by the Secretary of State.

**Section 3. Principal Office.** The principal office of The Elizabeth City State University Foundation shall be located in Elizabeth City, Pasquotank County, North Carolina.

## Article II. PURPOSES AND GOVERNING INSTRUMENTS

**Section 1. Nonprofit Foundation.** The Foundation shall be organized and operated as a nonprofit Foundation under the provisions of the North Carolina Nonprofit Corporation Act. It shall be organized, and at all times thereafter operated, exclusively for public, charitable, educational, and scientific uses, and purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code for the benefit of, or to support the purpose of, Elizabeth City State University (ECSU).

**Section 2. Charitable, Educational, and Scientific Purposes.** The Foundation is a voluntary association of individuals the purposes of which, as set forth in the Articles of Incorporation, are exclusively charitable, educational, and scientific within the meaning of Section 501 (c)(3) of the Internal Revenue Code.

**Section 3. Governing Instruments.** The Foundation shall be governed by its Articles of Incorporation and these bylaws (together known as the “Organizational Documents”).

### Article III. SEAL.

**Section 1. Description of Seal.** The Seal of the Foundation shall consist of a circle with the words “The Elizabeth City State University Foundation.”

## Article IV. BOARD OF DIRECTORS

**Section 1a. Authority and Responsibility of the Board of Directors.** Subject to the terms of the Foundation’s Organizational Documents, the supreme authority of the Foundation and the government and management of the affairs of the Foundation shall be vested in the Board of Directors; and all the powers, duties, and functions of the Foundation conferred by the Organizational Documents, state statutes, common law, court decisions, or otherwise, shall be exercised, performed, or controlled by the Board of Directors.

**Section 1b.** As the governing body of the Foundation, the Board of Directors shall supervise, control, and direct the management, affairs, and property of the Foundation; shall determine its policies or changes therein; and shall actively pursue its purposes and objectives and supervise the disbursement of its funds. The Board of Directors may adopt by majority vote, such rules, and regulations for the conduct of its business and the business of the Foundation as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to the Executive Committee, defined in Article VIII Section 1. Under no circumstances, however, shall any actions be taken which are inconsistent with the Organizational Documents.

**Section 1c.** The Board of Directors shall not permit any part of the net earnings or capital of the Foundation to inure to the benefit of any member, Director, Officer, or other private person or individual.

**Section 1d.** The Board of Directors may, from time to time, appoint advisors to assist and support the Board in determining policies and formulating programs to carry out the purposes and functions of the Foundation.

**Section 1e.** Subject to the provisions of these bylaws, the Board of Directors is authorized to employ such person or persons, including attorneys, agents, and assistants, as in its judgment are necessary or desirable for the administration and management of the Foundation, and to pay reasonable compensation for the services performed and expenses incurred by any such person or persons.

**Section 1f.** Anything in these bylaws to the contrary notwithstanding, the Directors and the Executive Director of the Foundation shall be approved by the Board of Directors of the Foundation. No Director shall be terminated without the approval of The Elizabeth City State University Foundation Board of Directors.

**Section 2a. Board of Director Classes.** The Board of Directors of the Foundation shall have the following classes of Directors, defined in Sections 2b, 2c, and 2d of Article IV, respectively:

(1) Elected Directors

(2) Ex Officio Directors

(3) Appointed Directors

**Section 2b. Elected Directors.** Each year the Nominations Committee shall submit a list of proposed Directors to the Executive Committee for its review and approval. The Executive Committee shall submit this list of approved Directors to the full Board of Directors for election at the March meeting of the Board of Directors in accordance with Article IV Section 3. In addition to this proposed slate of nominees, nominations may also be made from the floor at the March meeting.

**Section 2c. Ex Officio Directors.** Ex Officio Directors shall be Directors of the Foundation by virtue of their position within Elizabeth City State University or another organization related to Elizabeth City State University or as determined by the Board of Directors and shall have voting rights as described below. The following persons shall be Ex Officio Directors during their respective terms of office within Elizabeth City State University:

(1) The Chancellor of Elizabeth City State University shall be a **voting** Ex Officio member of The ECSU Foundation Board of Directors.

(2) The Chairperson of the Board of Trustees of Elizabeth City State University or a designee shall be a **non-voting** Ex Officio member of The ECSU Foundation Board of Directors.

(3) The President of the Elizabeth City State University National Alumni Association shall be a **voting** Ex Officio member of The ECSU Foundation Board of Directors.

- (4) The Vice President of the Student Government Association or a designee shall be a *non-voting* Ex Officio member of The ECSU Foundation Board of Directors.
- (5) Elizabeth City State University's Vice Chancellor for Institutional Advancement shall be a *non-voting* Ex Officio member of The ECSU Foundation Board of Directors; and
- (6) Elizabeth City State University's Vice Chancellor for Business and Finance shall be a *non-voting* Ex Officio member of The ECSU Foundation Board of Directors.

**Section 2d. Appointed Directors.** The Chancellor of Elizabeth City State University may appoint members of The ECSU Foundation Board of Directors in accordance with Article IV Section 3. Chancellor appointed members have full voting rights.

**Section 3. Number.** The Board of Directors of the Foundation shall consist of no less than fifteen (15) and no more than twenty-five (25) Directors, including those elected, those appointed, and the six (6) Ex Officio Directors listed in Section 2c of this Article IV. The Chancellor shall appoint eight (8) Directors of the Board and the current Board shall elect no less than (7) Directors and no more than eleven (11) Directors. The "Full Board" shall mean all current Directors on the Board.

**Section 4. Terms.** Three (3) years shall constitute one (1) term. However, the Board may limit the first term of any Director to one (1) or two (2) years at its discretion Each Director is elected to serve three (3) terms. No Director shall serve more than three (3) consecutive terms. However, a Director at the end of three (3) consecutive terms will be eligible for reappointment or re-election after not serving for one (1) year. A term shall expire at 12:00 midnight on the last day of the fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>).

**Section 5. Vacancies.** Any vacancy occurring among Directors may be filled by the affirmative vote of a majority of the remaining Directors, even if the remaining Directors

constitute less than a quorum of a Board made up of 20 Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**Section 6. Spouses and Other Immediate Family Members of University Leaders.**

Spouses and other immediate family members of university leaders may not serve on the Board of Directors of The ECSU Foundation. University leaders are defined as the Chancellor, those persons who report directly to the Chancellor, and those persons who report directly to them.

**Section 7. Removal of Directors.** Any Director may be removed from the Board with or without cause by a vote of two-thirds of the Full Board.

**Article V. MEETINGS OF THE BOARD OF DIRECTORS.**

**Section 1a. Place of Meetings.** Meetings of the Board of Directors may be held at any place as set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver or if no place is so specified, at the principal office of the Foundation.

**Section 1b. Notice of Meetings of the Board.** The Full Board shall hold regular meetings at least semi-annually (in September and March) of each year. The Chairperson of the Board (Chairperson) and/or Executive Director shall provide notice of the time and place for the holding of regular meetings of the Board. Special meetings of the Full Board may be called by the Chairperson or the Executive Director at his or her discretion. The Chairperson or the Executive Director, on written or electronic request of three or more members of the Executive Committee, shall call a special meeting to be conducted not later than two weeks after such request. Notice of all meetings of the Board shall be given in writing at least ten (10) days prior to the date of the meeting.

**Section 1c. Notice of Regular Meetings –Executive Committee.** The Executive Committee shall hold regular meetings quarterly (in August, November, February, and May) of each year. The Chairperson shall provide notice of the time and place for the holding of meetings of the Executive Committee. Special Meetings of the Executive Committee may be called by the Chairperson at his or her discretion. The Chairperson, on written or electronic request of three or more members of the Executive Committee, shall call a special meeting of the Executive Committee to be conducted not later than two weeks after such request. Notice of any such meeting of the Executive Committee shall be given in writing at least ten (10) day prior to the date of the meeting.

**Section 1d. Attendance.** Attendance at meetings of any Board or Committee of the Foundation may be effective in person or by telephonic or other means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director who participates in a meeting by any means listed in this Section 1d is deemed to be present at the meeting. Directors are expected to attend all meetings. Directors, who miss two (2) consecutive, regularly scheduled meetings with unexcused absences, as determined in the sole discretion of the Chairperson, will be deemed to have resigned.

**Section 1e. Meeting Procedures.** Unless otherwise provided by the Organizational Documents, meeting procedures shall be in accordance with the latest edition of Roberts Rules of Order, Newly Revised.

**Section 1f. Quorum.** At meetings of the Board of Directors, a majority of the voting Directors shall constitute a quorum, and this number or more shall be necessary for the proper transaction of business of the Foundation.

**Section 1g. Manner of Acting.** The act of a majority of the Board present at a meeting at which a quorum is present shall be an act of the Board unless a greater number is required by these bylaws or by law.

**Section 1h. Mail or Electronic Ballots.** From time to time for speed and convenience, certain matters may require action without a meeting by the Board or its committees. Voting for such matters may be conducted by mail, email, or facsimile transmission. The result of the vote must be certified by the Chairperson and Secretary and promptly reported to the Board or the committee. Such votes duly certified shall have the same effect as if said action occurred during the course of a properly noticed meeting.

#### ARTICLE VI. NOTICE AND WAIVER.

**Section 1. Procedure.** Whenever these bylaws require notice to be given to any Director, the notice shall be given as prescribed in Article V. Whenever notice is given to a Director by mail, the notice shall be sent by first-class mail depositing the same in a post office or letter box in a postage prepaid sealed envelope addressed to the Director at his or her address as it appears on the books of the Foundation; and such notice shall be deemed to have been given at the time the same is deposited in the United States mail. Notice shall be deemed to have been given by facsimile or email at the time reflected on the Foundation's records of transmission.

#### ARTICLE VII. OFFICERS.

**Section 1. Officers.** The Officers of the Foundation shall be Chairperson, Vice Chairperson, Secretary, and Treasurer, defined in Article VII Sections 1 a, 1b, 1c, and 1d, respectively. The Chairperson, Vice Chairperson, Secretary and Treasurer shall be nominated by the Nominations Committee and elected by the Foundation Board of Directors at the full board meeting in March as described in Section 1.e. These four officers shall serve a term of two years. Officer terms shall be limited to two terms in that specific office.

**Section 1a. The Chairperson of the Board.** The Chairperson presides over



all board meetings and shall perform such duties as assigned by the Board of Directors. In addition to serving as Chairperson of the Executive Committee, the Chairperson of the Board shall be an ex officio member of all committees of the Board.

**Section 1b. Vice Chairperson.** The Vice Chairperson shall preside at all meetings of the Board of Directors in the absence or inability of the Chairperson and shall do and perform such duties as may be assigned to him or her by the Chairperson.

**Section 1c. The Secretary.** The Secretary shall attend all meetings of the Board of Directors and record, or cause to be recorded, all votes, actions, and minutes of the Board and such committees as directed by the Board. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors. The Secretary shall keep in safe custody the seal of the Foundation and, when authorized by the Board of Directors or the Chairperson, affix it to any instrument requiring it. When so affixed, it shall be attested by the Secretary's signature. The Secretary shall be under the supervision of the Executive Director and shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the Executive Director may from time-to-time delegate. The Secretary shall be chosen by a majority vote of the Directors present when a quorum is present at the March regular meeting.

**Section 1d. The Treasurer.** The Treasurer shall, in conjunction with the Executive Director and the Office of Advancement Services, have charge and custody of and be responsible for all funds of the Foundation; receive and give receipts for monies due and payable to the Foundation from any source whatsoever, and deposit all such monies and gifts in accordance with Article IX. The Treasurer all also, in conjunction with the Office of Advancement Services, prepare, or cause to be prepared, a true statement of the Foundation's assets and

liabilities at the close of each fiscal year, all in reasonable detail, which statement shall be made and filed at the Foundation's registered office within three months after the end of such fiscal year and thereafter kept available for a period of at least seven (7) years. He or she shall, in general, perform all duties as, from time to time, may be assigned by the Chairperson. The Treasurer shall be chosen by a majority vote of the Directors present when a quorum is present at the March regular meeting.

**Section 1e. The Nominating Committee.** The Nominating Committee shall originate the nominating process at the December meeting prior to the conclusion of the two-year term by presenting a timeline and process to receive nominations. The Nominating Chair shall submit recommended nomination materials to the Executive Committee as presented at the December meeting. The Executive Committee shall review all submitted nominations. A ballot of individuals to fill each office shall be slated by the Executive Committee. Nominated candidates will be notified prior to announcing the ballot. Nominations may also come from the floor. All voting board members are eligible to vote. Voting shall be conducted at the March meeting.

**Section 2. The Executive Director.** The Executive Director of the Foundation shall be the Vice Chancellor for Institutional Advancement or another appropriate university official designated by the Chancellor and approved by the Board. The Executive Director shall act as the Chief Executive Officer of the Foundation and be responsible for the day-to-day operations and management of the Foundation and shall report directly to the Chancellor and the Board at its request. The Executive Director shall be responsible for the prudent management of the Foundation's assets and staff. The Executive Director need not be a Director of the Board.

**Section 3. Vacancies.** A vacancy in any elected office may be filled by a majority vote of the Board at a regular meeting or a special meeting for that purpose. The new Officer shall serve for the unexpired term of his predecessor in office.

**Section 4. Delegation of Duties.** The Board may delegate the powers or duties of any

Officer to any other Officer, including the Executive Director, or Director.

**Section 5. Removal.** Any Officer elected or appointed by the Board may be removed by a majority vote of the Full Board for any reason whenever, in the Board's judgment, the best interests of the Foundation would be served thereby. Such removal shall be without prejudice to any contract rights of the Officer so removed.

ARTICLE VIII. COMMITTEES.

**Section 1. Executive Committee.** The Executive Committee shall be comprised of the Chairperson, the Vice Chairperson, the Secretary, the Treasurer, the Chancellor, the Executive Director, and the chairpersons of all Standing Committees. The Chancellor shall serve as an ex officio member of the Executive Committee with full voting rights.

**Section 1a. Executive Committee Duties.** The Executive Committee shall be the day to day administrative body of the Foundation. It shall serve as the primary planning body for the Foundation, shall consider and approve all budget matters, and perform all other administrative duties assigned by the Board of Directors, and shall report on its actions at the next meeting of the Board.

**Section 1b. Executive Committee Powers.** In the interval between meetings of the Board, the Executive Committee may transact business of the Foundation on behalf of the Board. On unrestricted funds only, the Executive Committee may approve expenditures not to exceed \$20,000 or 20% of the total restricted funds whichever is the largest. The Executive Committee may authorize these actions and shall report them to the Board at its next meeting. The Chairperson of the Board of Directors shall serve as Chairperson of the Executive Committee.

**Section 2a. Standing Committees.** The Chairperson of the Board in consultation with the Executive Director of the Foundation shall appoint the members of the following Standing Committees and their respective chairpersons subject to the approval of the Board:

- (1) Audit Committee
- (2) Budget and Finance Committee
- (3) Bylaws Committee
- (4) Cultural and Planning Committee
- (5) Executive Committee

- (6) Investment Committee
- (7) Nominations Committee
- (8) Scholarship Committee

The membership of these committees shall not be limited to individuals who are members of the Board of Directors if they bring special qualifications to the job. Article VIII Section 2b shall be applicable to the Scholarship Committee.

**Section 2b. Scholarship Committee.** The Scholarship Committee of the Elizabeth City State University Foundation shall be comprised of three (3) Board members: The chairperson of the committee shall be appointed by the Chairperson of the Board. The Foundation delegates to the Scholarship Committee the authority and responsibility to administer the awarding of scholarships from restricted gifts, as directed by the donor's intent, as specified in the award. The distribution of scholarship resources will be determined annually by the economic climate. The chairperson of the scholarship committee will make a recommendation each year to the board pertaining to the cumulative award amount.

**Section 3. Special Committee and Task Force.** The Chairperson may appoint such special committees, sub-committees, or task forces as may be necessary or desirable and which are not in conflict with other provisions of these bylaws; and the duties of any such committees shall be prescribed by the Board of Directors upon their appointment.

**Section 4. Vacancies.** Any vacancy in the membership of any committee may be filled by an appointment made in the same manners as provided for the original appointment.

**Section 5. Quorum.** Unless otherwise provided in the resolution of the Board creating a committee, a majority of the members of the committee shall constitute a quorum. Unless otherwise provided in the resolution of the Board creating a committee, a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 6. Rules.** Each committee may adopt rules for its own management not inconsistent with these bylaws or with other rules adopted by the Board.

ARTICLE IX. FINANCES.

**Section 1. Use of Gifts and Income.** All gifts to the Foundation or income not otherwise designated by the donor shall go into the general fund of the Foundation and shall be used exclusively for the use and benefit of Elizabeth City State University in accordance with the general purposes of the Foundation. The Foundation may receive, manage, invest, and disburse conditional gifts only if such gifts are for the exclusive use and benefit of Elizabeth City State University. The phrase “exclusive use and benefit of Elizabeth City State University” shall include gifts for the benefit of any separate or independent organization which is supportive of or affiliated with Elizabeth City State University or its programs and functions, provided that such organization is (a) organized exclusively for charitable, scientific, or educational purposes and for the exclusive use and benefit of Elizabeth City State University, and (b) qualified as an organization exempt from income tax under 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law). The Board may from time to time provide procedures for the establishment of special or designated funds to be administered by the Board in accordance with the condition of their creation.

**Section 2. Contributions and Disbursements.** All contributions received by the Foundation shall be deposited in a special account or accounts in such banks, trust companies, or other depositories as the Board may select. All disbursements shall be subject to examination at any reasonable time, upon request, by any Director.

**Section 2a. Grant of Funds.** The funds of the Foundation shall be used solely for the purposes specified in the Organizational Documents and shall be paid to or for the benefit of Elizabeth City State University.

**Section 2b. Prohibited Use of Funds.** The funds of the Foundation shall not be expended in a manner contrary to the policy as stated in the Articles of Incorporation or adopted from time to time by the Board of Directors. In addition, the funds of the Foundation shall not be expended in manners contrary to policies as contained in section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) and in Chapter 55A of the General Statutes of North Carolina, as the same may be from time to time amended.

**Section 2c. Reimbursable Expense.** Any funds of the Foundation applied to pay travel or other authorized expenses of any individual shall be paid only upon receipt of itemized and signed vouchers.

**Section 2d. Gifts and Donations.** Any person making gifts to the Foundation may designate the purpose(s) for which the gift shall be applied and specify the terms and conditions for administration and distribution, which shall be known as a restricted gift; or any such person may make a gift to the Elizabeth City State University Foundation, without any such designation or limitation, which shall be known as an unrestricted gift.

**Section 2e. Restricted Gifts.** In the case of a restricted gift, the Foundation shall follow the directions of the instrument or gift, provided, however, if any object or purpose for which any gift is made fails or becomes impossible in performance, or if it is the opinion of the majority of the Directors of the Foundation that the object or purposes of this or such restricted gift or donation has ceased to be within the purpose of this Foundation, then such gift or donation shall no longer be held and administered for any such specific restricted purpose and shall thereafter be held and administered by the Foundation for a kindred purpose or as an undesignated gift or donation provided prior notices is given and authorization received from the donor.

**Section 2f. Unrestricted Gifts.** Unrestricted gifts may be merged with other gifts and the funds and properties so merged may be held and administered by the Foundation as a part of its general assets; or if the majority of the Board of Directors decides to do so, any unrestricted gift may be held and administered by the Foundation separately.

**Section 2g. Investments.** The Foundation shall have the right to retain all or any part of any securities or property acquired by it. The Foundation shall not have duty to diversify any securities or property received by it if these securities or property remain in the form received.

**Section 2h. Income from Unrestricted Gifts and Donations.** The income from the unrestricted gifts and donations shall be used by the Foundation for the benefit of Elizabeth City State University as may be selected and decided upon by the majority of the Board of Directors of this Foundation, and as aforesaid, or may convert all or any part of such accumulated income into principal funds in the same manner as if such accumulated income had been given and donated to the Foundation as an unrestricted or undesignated gift.

**Section 2i. Operating Expenses.** Operating expenses of the Foundation shall be paid out of either (1) gifts to the Foundation that are intended by the donor to be used for operating expenses and (2) unrestricted gifts. The Foundation may use gifts that are intended by the donor to be used for operating expenses for other purposes so long as the Foundation's use does not violate the restrictions imposed by the donor.

**Section 3. Budget.** A statement of the proposed budget for each year shall be prepared by the Executive Director and submitted to and approved by the Budget and Finance Committee, the Executive Committee, and the Board. Changes to the budget during the year must be approved by the Budget and Finance Committee and the Executive Committee.

**Section 4. The Fiscal Year.** The Fiscal year of the Foundation shall be July 1<sup>st</sup> – June 30<sup>th</sup>.



## ARTICLE X. EXECUTION OF DOCUMENTS.

**Section 1. Execution of Contracts and Deeds.** Except as otherwise provided by resolution of the Board, all contracts' deeds, mortgages, pledges, transfers, and other written documents binding upon the Foundation shall be executed on behalf of the Foundation by the Chairperson or the Executive Director of the Foundation with the Secretary attesting, and the corporate seal shall be affixed thereto.

**Section 2. Voting Securities Owned by the Foundation.** Unless otherwise ordered by resolution of the Board, the Chairperson, the Executive Director, the Secretary, and the Treasurer shall have full authority on behalf of the Foundation to attend, to act, and to vote at any meetings of the stockholders, bondholders, or other security holders of any corporation, trust, or association in which the Foundation may hold securities. At any such meeting the Executive Director and Treasurer shall possess and may exercise all of the rights and powers incident to the ownership of such securities. The Board may, by resolution, confer like authority upon any other person or persons.

**Section 3. Sale of Securities.** Unless otherwise ordered by resolution of the Board, the Executive Director and Secretary or Treasurer are authorized and empowered jointly to buy and sell stock held or owned by the Foundation, for such consideration as may be authorized by the Board, and to that end they are further authorized to execute all bills of sale, transfers, assignment, and other documents necessary or convenient for effectuating such purpose. The Executive Director and Secretary or Treasurer are further authorized to give the proper notices of any such action, have all such transactions registered and noted on the books and records of this or any other corporation or partnership, and to do all things necessary or convenient to accomplish such purchases or sales.

## ARTICLE XI. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS.

**Section 1. Contracts.** The Board of Directors may authorize any Officer or Officers, agent or agents of the Foundation, in addition to the Officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Foundation. Such authority must be in writing and may be general or confined to specific instances.

### **Section 2. Checks, Drafts, Notes, and Accounting Transactions for the Foundation.**

All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Foundation shall be issued through the University's financial services system after the Foundation's required signature authority has been recorded. Financial records of The Foundation are uniquely numbered in the University's financial records system, thus providing separate accounting by activity as well as the capability for generating summary reports covering the entire Foundation. An annual audit and tax return are prepared by an external, independent auditor. The audit reflects a comprehensive review of the business transactions of The Foundation and includes a review of internal controls.

**Section 3. Deposits.** All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositories as the Board of Directors may select.

## ARTICLE XII. CONFLICT OF INTEREST.

**Section 1. Disclosure Requirement.** Any Director of the Board or Officer who has a direct or indirect financial interest in any contract or transaction with the Foundation must disclose such interest to the Board. Such Director or Officer shall not participate in discussions or vote regarding the subject matter. All Directors and Officers shall sign and have filed in the Foundation office a Conflict of Interest Statement annually.

## ARTICLE XIII. IDEMNIFICATION OF DIRECTORS.

**Section 1. Indemnification.** No Director or Officer who acts in good faith shall be liable to the Foundation for any act or omission on behalf of the Foundation. In the event that any person is a party to or is threatened to be made a party to any pending or proposed suit or action, whether civil, criminal, administrative, or investigative for any act or omission by such Director or Officer on behalf of the Foundation, said Director or Officer shall be indemnified completely and as fully as possible under North Carolina law, unless it is shown by clear and convincing evidence that said Director or Officer acted with reckless disregard for the best interest of the Foundation, in which case, said Director shall be entitled to no indemnity under this article.

**Section 2. Indemnification Not Exclusive of Other Right.** The indemnification provided in Article XIII, Section 1 above shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Organizational Documents, or any agreement, vote of disinterested Directors, or otherwise, both as to any action to his or her official capacity and as to any action in another capacity while holding such office, and shall continue indefinitely as to any former Director, Officer, employee, or agent, and shall inure to the benefit of their heirs, executors, and administrators.

**Section 3. Insurance.** To the extent permitted by North Carolina law, the Foundation may purchase and maintain errors and omissions insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Foundation.

## ARTICLE XIV. AMENDMENTS

**Section 1. Power to Amend Bylaws.** The Board of Directors shall have the power to alter, amend, or repeal these bylaws, or adopt new bylaws by a majority vote of the Full Board.

ARTICLE XV. TAX-EXEMPT STATUS.

**Section 1. Tax-Exempt Status.** The affairs of the Foundation at all times shall be conducted in such a manner as to assure its status as a “publicly supported” organization as defined in section 509(a)(1), 509(a)(2) or 509(a)(3) of the Internal Revenue Code, so as to qualify for exemption from tax pursuant to section 501(c)(3) of the Internal Revenue Code.

ARTICLE XVI. ADOPTION OF BYLAWS AND EFFECTIVE DATE.

**Section 1. Adoption of Bylaws.** These bylaws as revised were adopted by resolution of the Board of Directors on September 23, 2016 and became immediately effective upon adoption.