

FLORIDA  UNIVERSITY
Board of Trustees

Direct Support Organizations and Athletics Committee Meeting
Wednesday, December 4, 2024 | 1:00 p.m.
Grand Ballroom

Committee Members: Deveron Gibbons, Chair – John Crossman, Natlie Figgers,
Kelvin Lawson, Loryn May, Belvin Perry, Jr., Kenward Stone,
Nicole Washington, Michael White

AGENDA

- | | | |
|-----|---------------|-----------------|
| I. | Call to Order | Chair Gibbons |
| II. | Roll Call | Mr. Nick Dulcio |

ACTION ITEMS

- | | | |
|------|---|-----------------|
| III. | Approval of Minutes
A. September 12, 2024, DSO and Athletics Committee | Chair Gibbons |
| IV. | FY 2024-2025 Foundation Operating Budget Amendment | Dr. Donald Palm |

INFORMATIONAL ITEMS

- | | | |
|-------|--|--|
| V. | Foundation Bylaws Discussion | Ms. Jane DiFolco Parker
Mr. David Shufflebarger
Alexander Haas |
| VI. | Update on Divisional Activities
A. FY 2024-2025 University Advancement Updates

B. DSO Updates
1. FAMU Foundation, Inc.
2. FAMU National Alumni Association
3. FAMU Rattler Boosters | Dr. Donald Palm |
| VII. | Athletic Directors Report
a. Athletics Department Update | VP/AD Angela Suggs |
| VIII. | Adjournment | Chair Gibbons |

Direct Support Organizations (DSO) and Athletics Committee Minutes
Trustee Deveron Gibbons, Chair
Thursday, September 12, 2024

Trustee Deveron Gibbons called the meeting to order. Trustees Natlie Figgers, Kelvin Lawson, Loryn May, Belvin Perry, Jr., Kenward Stone, and Michael White were in attendance and established a quorum.

Approval of July 30, 2024, DSO and Athletics Committee Meeting Minutes

Trustee Lawson motioned for approval; Trustee Stone seconded the motion.

A roll call vote on the motion was administered, and the results were as follows:

Trustee Name	Vote
Trustee Gibbons	Yes
Trustee Figgers	Yes
Trustee Lawson	Yes
Trustee May	Yes
Trustee Perry	Yes
Trustee Stone	Yes
Trustee White	Yes

The motion passed, unanimously.

FY 2024-2025 Foundation Operating Budget Amendment

Dr. Donald Palm presented the FY 2024-2025 Foundation Operating Budget Amendment.

The amendment approves funding for the VP-Director of Athletics position. The Foundation Board approved funding for a total amount of \$132,063, of which \$115,445 is for the position's base salary and \$16,618 is for the position's fringe benefits.

This funding will support a base salary of \$230,000 with \$20,000 of supplemental support that will be specifically tied to performance metrics as identified by President Beard and the BOT for a permanent VP/AD for the 2024-2025 fiscal year.

Trustee Lawson motioned for approval of the FY 2024-2025 Foundation Operating Budget Amendment; Trustee Perry seconded the motion. The motion passed, unanimously.

DSO Bylaws Update

Trustee Gibbons provided the committee with an overview of this informational item. He stated that the bylaws for all the DSOs were not aligned and needed to be updated to ensure they all agree with guidelines outlined by University Regulations, SUS, and BOG guidelines. The Committee discussed this item, ensuring that the recommendations outlined in the Gift Report be included in the DSO Bylaws discussion as well as ensuring that the DSOs and their leadership are included in this review process.

Dr. Palm informed the Board that the Corrective Action Plan, reviewed at yesterday's Audit & Compliance Committee Meeting addresses the recommendations from the Gift Report and Trustee Gibbons ensured the Committee that he has already discussed this issue with the DSO Leadership.

The Committee agreed that Trustee Gibbons and Dr. Palm would work to provide a written request to the DSO leadership outlining what is needed for them to better align their bylaws and/or operating

policies with current regulations. Trustee Cliatt agreed to assist them with this request and the committee also requested to review the ask before it is presented to the DSO leadership. The Committee agreed to allow all Foundation Board members whose terms end on December 31, 2024, to continue to serve until the bylaw's alignment is completed. Trustee Gibbons and Dr. Palm assured the committee that each Foundation Board member up for renewal had been contacted and informed of the bylaw's alignment process.

The Committee discussed the timeline for the bylaw's alignment process, citing that it would need to be completed before their December meeting and the Foundation Board's November board officer elections. Trustee Gibbons and Dr. Palm will work to develop a timeline that works within the identified constraints and inform the BOT if a special meeting will need to be scheduled prior to the December meeting. The Committee recognized all DSOs for their time, talent and treasure and commended them for their efforts in self-governance that is beneficial to the University.

Update on Divisional Activities

A. FY 2024-2025 University Advancement Updates

1. FY 2024-2025 Fundraising Progress as of September 4, 2024:
 - i. Raised \$4,270,103.65 (21.35% of \$20M Goal)
2. New Cash - \$3,982,208.65 (93.26% of Total & 19.91% of \$20M Goal)
3. Pledges & Planned Gifts - \$287,895 (6.74% of Total & 1.44% of \$20M Goal)
4. Year-to-Year Constituent Comparison
 - i. Corporations and Foundations account for the majority of support.
5. Historical Fundraising Trend – 2012-13 to 2024-25
 - i. Last three fiscal years have been over \$20+ Million

The Committee discussed University Advancement's plan to diversify fundraising constituency support, citing that 70+% of support is from corporations. Dr. Palm emphasized that corporate giving is projected to continue at its current level or increase, but that the next VP for Advancement will review constituency giving and determine strategies to diversify sources of support.

The Committee requested that future fundraising presentations include the pledges collected as compared to the projected amount of pledges receivable. Dr. Palm commended Chair Harper for her planned giving commitment.

B. DSO Updates

1. **FAMU Foundation, Inc.**
2. **FAMU National Alumni Association**
3. **FAMU Rattler Boosters**

Dr. Palm introduced a short video of greetings from Foundation Board Chair Lisa LaBoo.

FAMU Foundation, Inc.

- FAMU Foundation Fall 2024 Board of Directors Meeting will be held on November 21-23, 2024, in Orlando, FL, in conjunction with the Florida Blue Florida Classic.
- Investment Value - \$162,934,473.87 as of June 30, 2024, compared to \$161,041,113.25 as of May 31, 2024.

- Endowment Value - \$124,140,598.81 as of June 30, 2024, compared to \$122,550,814.39 as of May 31, 2024.

FAMU National Alumni Association

- President Beard and University leadership have been on the move over the past three weeks from the MEAC Challenge in Atlanta, Georgia across the miles to Fort Lauderdale and Miami engaging with alumni, donors, and community stakeholders.
- The President also shared his academic vision with prospective Rattlers and parents at recruitment events with hundreds of students eager to come to FAMU.
- We were pleased to have Chair Harper, Trustee Figgers, and Trustee Washington join the President along the way. Our team received a warm FAMULY welcome on each stop.
 - Special thanks to the National Alumni Association for assisting our team in coordinating these endeavors.

FAMU Rattler Boosters

- The Bordeaux Cooling station paid dividends in our first game in terms of the condition of our football players.
- On August 10, the Rattler Boosters Golf Tournament had a very successful event at Jake Gaither Park. The Kick-Off luncheon was held at 2:00pm and Fan Day at 4:00pm.
- Rattler Boosters Memberships are: Regular - \$100, Venom - \$300, and Life Members is \$750.

Athletic Directors Report

a. Athletics Department Update

Acting AD Michael Smith provided the Athletic Directors Report.

- Operating Budget Review
 - Revenue: EOY 23-24 Projections - \$11,501,889
 - Revenue: EOY 24-25 Projections - \$11,354,474

 - Total Expenses: EOY 23-24 Projections - \$11,500,869
 - Revenue vs. Expenses: \$1,020
 - Total Expenses: EOY 24-25 Projections - \$11,363,454
 - Revenue vs. Expenses: \$1,020
- Athletics Compliance Office
 - \$87,000 – NCAA AASP (Accelerating Academic Success Program) Grant Funding
 - Professional Development Highlight – Tia Huie was accepted to Black Sports Business Academy
 - End of NCAA Probation – Last probationary report (Year 9) will be submitted to the NCAA on September 15
 - Certification – ACO continues to capitalize on collaboration with other university units to complete fall certification

- Academic Update
 - Spring 2024
 - Dept. Semester GPA: 3.15
 - Dept. Cumulative GPA: 3.19
 - Summer 2024
 - Dept. Semester GPA: 3.26
 - Graduates
 - Spring 2024: 35
 - Summer 2024: 26
 - 3 Master's Candidates
 - 12 return for second degree

- Student-Athlete Advisor Committee
 - Kiauna Watson – Softball - President
 - Nay'Ron Jenkins – Football – 1st Vice President
 - Lacie Deboskie – Track & Field/Cross Country – 2nd Vice President
 - Eva Holmes – Bowling – Parliamentarian
 - Alyssa Summers – Track & Field – Secretary

- Fall Sports Highlights
 - Football
 - Volleyball

The Trustees thanked Acting AD Smith for stepping into the leadership role for Athletics. They also observed a moment silence for the Fallen Rattler and former football athlete, Darryl Drew. Mr. Drew was a 1998 Inductee into the FAMU Athletics Hall of Fame. Chair Harper informed the Trustees that Pres. Beard would be working to schedule another meeting within the next few weeks to review and approve the employment contract for the next VP/AD.

With there being no further business, the meeting was adjourned.

FLORIDA **A&M** UNIVERSITY
Board of Trustees
ACTION ITEM

Direct Support Organizations (DSO) and Athletics Committee
Wednesday, December 4, 2024
Agenda Item IV.

Subject: **FY 2024-2025 Foundation Operating Budget Amendment**

Proposed Board Action: Dr. Donald E. Palm, III, Interim Vice President of University Advancement and Interim Executive Director of the FAMU Foundation, will present the FY 2024-2025 Foundation Operating Budget Amendment

The FY 2024-2025 FAMU Foundation, Inc. Operating Budget Amendment was approved by the FAMU Foundation Board during their November 23, 2024, General Board Meeting.

Rationale: The Foundation Operating Budget Amendment is submitted for acceptance in accordance with FAMU Board of Trustees Policy Number 2018-01.

"A DSO shall have the authority to amend its budget. Budget amendment requests for less than 15%, but not to exceed \$40,000, of the total amount of the annual budget shall require the approval of the President, provided that no budget amendment affecting the President or the President's compensation, salary or other benefits shall be made without the approval of the Board. Other budget amendment requests shall require the approval of the President and the Board."

Recommendation: **Approve the FY 2024-2025 FAMU Foundation, Inc. Operating Budget Amendment.**

Attachments:

- 1.) FAMU Athletics Department Funding Summary
- 2.) FY 2024-2025 FAMU Foundation, Inc. Operating Budget with Proposed Amendment.

Direct Support Organizations (DSO) and Athletics Committee

Wednesday, December 4, 2024

FAMU Athletics Department Funding Summary

FY 2024-2025	
Amount	Description
\$400,000	Student Athlete Summer School Funding FY 2024-2025
\$125,000	Comprehensive Program Review for Development and Revenue Generation FY 2024-2025
\$60,000	Critical Capital Repairs to Football Practice Field and Baseball Outfield
\$165,000	Athletics Director Discretion
Total Funding: <u>\$750,000</u> FY 2024-2025	

FAMU FOUNDATION, INC
FISCAL YEAR 2024-2025 PROPOSED AMENDED OPERATING BUDGET

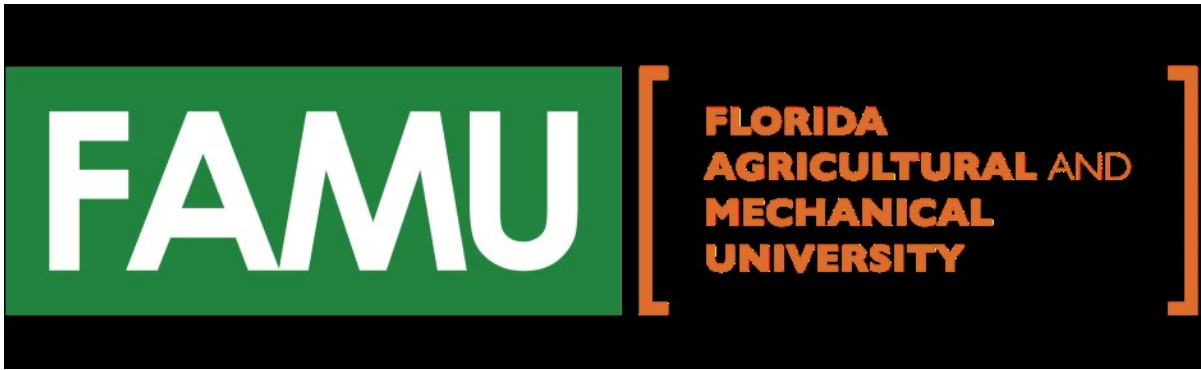
	FY 2024-2025	Difference	FY 2024-2025 Approved by BOT 9/12/24	Difference	FY 2024-2025 Approved by BOT 8/8/24	FY 2023-2024 Budget
REVENUE AND SUPPORT						
Operating Revenue	\$3,725,825		\$3,725,825	\$0	\$3,725,825	\$3,642,814
<i>Endowment Administrative Fees and Operating Fees</i>	\$2,987,825		\$2,987,825	\$0	\$2,987,825	\$2,904,814
<i>Incoming Gifts Fees [7%, 5% or 3%]</i>	\$355,000		\$355,000	\$0	\$355,000	\$355,000
<i>Administrative Fees on Miscellaneous Revenue (7%)</i>	\$77,000		\$77,000	\$0	\$77,000	\$77,000
<i>Administrative Fees on Disbursements [\$2.50]</i>	\$6,000		\$6,000	\$0	\$6,000	\$6,000
<i>Campaign Fee [2%]</i>	\$300,000		\$300,000	\$0	\$300,000	\$300,000
License Tags Revenue	\$450,000		\$450,000	\$0	\$450,000	\$450,000
Rents and Fees 625 East Tennessee Street	\$70,000		\$70,000	\$0	\$70,000	\$70,000
* Contingency Revenue	\$1,181,973	\$750,000	\$431,973	\$132,063	\$299,910	\$700,000
TOTAL REVENUE AND SUPPORT	\$5,427,798	\$750,000	\$4,677,798	\$132,063	\$4,545,735	\$4,862,814
EXPENDITURES						
Foundation Operations						
University Advancement Staff Salaries and Benefits	\$1,027,000		\$1,027,000	\$0	\$1,027,000	\$970,000
Contractual Services	\$25,000		\$25,000	\$0	\$25,000	\$25,000
General Counsel and Legal Services	\$75,000		\$75,000	\$0	\$75,000	\$60,000
Auditing and Accounting Services	\$55,000		\$55,000	\$0	\$55,000	\$55,000
Foundation Board Support	\$250,000		\$250,000	\$0	\$250,000	\$220,000
Travel, Registration, Training and Seminars	\$35,000		\$35,000	\$0	\$35,000	\$25,000
Memberships and Subscriptions	\$5,000		\$5,000	\$0	\$5,000	\$5,000
Insurance	\$40,000		\$40,000	\$0	\$40,000	\$40,000
Janitorial Services	\$30,000		\$30,000	\$0	\$30,000	\$30,000
Office Security Monitoring	\$12,000		\$12,000	\$0	\$12,000	\$12,000
Office Utilities	\$50,000		\$50,000	\$0	\$50,000	\$50,000
Pest Control	\$4,000		\$4,000	\$0	\$4,000	\$4,000
Grounds Maintenance	\$20,000		\$20,000	\$0	\$20,000	\$20,000
Software Maintenance	\$150,000		\$150,000	\$0	\$150,000	\$150,000
Telephone	\$2,500		\$2,500	\$0	\$2,500	\$2,500
Office Equipment/Furniture	\$25,000		\$25,000	\$0	\$25,000	\$25,000
Materials, Printing & Postage	\$20,000		\$20,000	\$0	\$20,000	\$20,000
625 E TN Street Renovations	\$100,000		\$100,000	\$0	\$100,000	\$100,000
Bank Fees	\$15,000		\$15,000	\$0	\$15,000	\$15,000
Donor Outreach Support and Other	\$83,775		\$83,775	\$0	\$83,775	\$83,775
Equipment - Van	\$0		\$0	\$0	\$0	\$0
Operating Contingency	\$17,102		\$17,102	\$0	\$17,102	\$20,091
Transportation Maintenance	\$5,000		\$5,000	\$0	\$5,000	\$5,000
Total Foundation Operations	\$2,046,377		\$2,046,377	\$0	\$2,046,377	\$1,937,366
Office of University Advancement						
Advancement Operations/Development Support	\$126,000		\$126,000	\$0	\$126,000	\$126,000
Comprehensive Campaign Support	\$100,000		\$100,000	\$0	\$100,000	\$100,000
Fundraising Activities [75% License Tags Revenue]	\$337,500		\$337,500	\$0	\$337,500	\$337,500
Total Office of University Advancement	\$563,500		\$563,500	\$0	\$563,500	\$563,500
University Support						
University President Compensation	\$388,562		\$388,562	\$0	\$388,562	\$388,562
Interim University President Compensation	\$325,320		\$325,320	\$0	\$325,320	\$0
University President Salary Increase, Bonus & Benefits	\$64,590		\$64,590	\$0	\$64,590	\$80,000
Office of the President	\$100,000		\$100,000	\$0	\$100,000	\$80,000
University Auxiliary Support	\$269,594		\$269,594	\$0	\$269,594	\$298,485
Board of Trustees Assessment	\$36,000		\$36,000	\$0	\$36,000	\$36,000
Board of Governors Assessment	\$17,000		\$17,000	\$0	\$17,000	\$16,000
Legislative Advocacy	\$80,000		\$80,000	\$0	\$80,000	\$80,000
License Tags Scholarships [25% License Tags Revenue]	\$112,500		\$112,500	\$0	\$112,500	\$112,500
Athletics Salary Support	\$134,000		\$134,000	\$0	\$134,000	\$134,000
Athletics AD Salary Support	\$115,445		\$115,445	\$115,445	\$0	\$0
Athletics Scholarships Support/General	\$400,000	\$400,000	\$0	\$0	\$0	\$400,000
University Executive Support	\$353,019		\$353,019	\$16,618	\$336,401	\$336,401
University Support	\$421,891	\$350,000	\$71,891	\$0	\$71,891	\$400,000
Total University Support	\$2,817,921	\$750,000	\$2,067,921	\$132,063	\$1,935,858	\$2,361,948
TOTAL EXPENDITURES	\$5,427,798	\$750,000	\$4,677,798	\$132,063	\$4,545,735	\$4,862,814
REVENUE LESS EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0

*FY 23-24 \$400,000 (Athletics & Scholarship) \$100,000 (University Support-Band) \$200,000 (University Support - AD Discretionary)

*FY 24-25 The Contingency Revenue (\$299,910 {Interim President} + \$132,063 {Athletic Director} = \$431,973) is from FY23-24.

*FY 24-25 The Contingency Revenue (\$400,000 {Athletic Scholarships} + \$125,000 {Comp. Review} + \$60,000 {Football Field Repair} + \$165,000 {AD Discretionary}) = \$750,000

*FY25-26 Additional amount of \$29,120 will be added to University Exec. Sup line to bring the total to \$76,700 (FY24-25 Proposed Approval \$16,618 FY24-25 Budgeted \$30,962 +FY25-26\$29,120)



**A REVIEW OF THE FAMU FOUNDATION BYLAWS
AND
ARTICLES OF INCORPORATION**

BY

**Jane DiFolco Parker, Partner
David T. Shufflebarger, Senior Partner
October 8, 2024**

*A*lexander·Haas

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	B. FAMU Foundation Articles of Incorporation	
	C. FAMU Foundation Bylaws	
	D. Alexander Haas Foundation Assessment/Development Plan April 5, 2021	

I. BACKGROUND AND METHODOLOGY

The Board of Trustees (BOT) of Florida A&M University (FAMU) requested a review of the bylaws of the FAMU Foundation. To accomplish this, the University asked Alexander Haas to conduct such a review and provide a report with recommendations where appropriate for strengthening the governance and performance of the Foundation at America's leading HBCU.

Our perspective on FAMU and the Foundation is shaped by our collective experience providing counsel to more than 100 university-related foundations across the country, including eight HBCUs and six Florida SUS institutions (UF, FSU, UCF, UWF, USF, and FAU); as a consultant for the Association of Governing Boards of Universities and Colleges; as one of the authors of AGB's book *College & University Foundations*; as a chapter author in the AGB publication *The New Realities for Public University Foundations*; as an expert witness in two lawsuits involving university-related foundations; and having served as chief executive officer of four university-related foundations

Our review was done in the context of the BOT policy on Direct Support Organizations (DSOs) because it imposes requirements for provisions to be included in each DSO's articles of incorporation and/or bylaws.

To do so we reviewed the:

- FAMU BOT Policy 2018.01 Direct Support Organizations
- FAMU Foundation's Bylaws
- FAMU Foundation's Articles of Incorporation
- FAMU Internal Management Memorandum 2003.01
- FAMU Regulation Chapter 11.001
- Florida Statute 617.0202, Nonprofit Articles of Incorporation; content.
- Florida Statute 617.0206, Nonprofit Bylaws
- Florida Statute 1004.28, Direct Support Organizations
- Florida Board of Governors Regulation 9.011 Direct Support Organizations
- Alexander Haas FAMU Foundation Assessment and Development Plan May 5, 2021

II. FINDINGS

A. FAMU BOT Policy 2018.01 -- Direct Support Organizations

The University's policy on DSOs is in compliance with the Florida statute on DSOs and the Florida Board of Governors regulation on DSOs. Further, in Section D the policy goes beyond the statutory and regulatory provisions to require each DSO to include 12 provisions in its 'articles of incorporation and bylaws, together' as well as a requirement in Section C 2 to reference the policy and Regulation 11.001. As such, it makes the FAMU Foundation's bylaws exceedingly lengthy and cumbersome. Typically, these requirements are addressed most effectively in a memorandum of understanding between the University and the DSO.

The policy references 'continued certification' but does not specify anything other than submitting the articles of incorporation and bylaws. The FAMU Foundation bylaws in Article XIV Reporting Requirements provide for a compliance report to the President annually by June 30 to maintain its certification.

B. FAMU Foundation Articles of Incorporation

The articles of incorporation as amended and restated in 2006 are also exceedingly lengthy and cumbersome, with extensive recitations of authority despite the Florida statutory specification that 'The articles of incorporation need not set forth any of the corporate powers enumerated in this act.'

The statute also includes a requirement for inclusion in the articles of incorporation: 'A provision to the effect that the corporation will be subordinate to and subject to the authority of any head or national association, lodge, order,

beneficial association, fraternal or beneficial society, foundation, federation, or other corporation, society, organization, or association not for profit,' if indeed the corporation is subject to the authority of another entity. It is not clear whether this applies to the relationship between the FAMU BOT and the Foundation.

The articles do not include a provision for indemnification to protect board members when acting in good faith.

The dissolution clause in the articles provides for the transfer of assets to the University if it is in existence at the time of dissolution.

C. FAMU Foundation Bylaws

The Foundation's bylaws have been amended four times since we reviewed them in 2021, and the latest version was approved November 18, 2023.

Consistent with recommendations in our assessment, a number of policy provisions have been removed and replaced with board policies. That said, the bylaws are still unwieldy and include provisions better left to Foundation board policies such as the role and responsibilities of board members and the confidentiality of Foundation documents as just two examples.

As with the articles of incorporation, there are several lengthy recitations where reference to a statute or policy might suffice as permitted in the BOT policy.

We found a number of issues we believe need to be addressed.

- Article I, Section 4 goes into extensive detail about the board and members' fiduciary responsibility of care but does not address the other fiduciary duties of loyalty and obedience. All that is needed is a statement to the effect that the board has the authority granted to it by Florida

statute, Board of Governors regulations, and BOT policy. Board member duties are better left to policy.

- Article I Section 4 is followed by a misnumbered Section 2 Conflicts and Duality of Interest. That having been said, this is an area better left to policy, rather than being included in the bylaws. Additional typographical or wording errors are in the Audit Committee reference to ‘biannual meetings’ when we suspect ‘semiannual’ was intended and in the Board Governance and Stewardship Committee where ‘planning for leadership succession’ appears twice in succession.
- Article II Section 1 d includes a provision which is counter to the spirit of term limits by including only those members whose initial terms began January 1, 2024, and by providing for a third four-year term under exceptional circumstances.
- Article II Section 3 includes seven *ex officio* or designated members, all with voting privileges. Not included among the seven is the University’s chief academic officer, a position frequently represented on foundation boards, and the Rattler Booster board President or designee. While it is important for the BOD to hear the perspective of faculty and students, it may not be realistic to expect them to bear the full responsibility of board membership with its fiduciary duties. Their voice, not their vote, is paramount. Similarly, while it is important for coordination of fundraising efforts for the National Alumni Association and Rattler Boosters to be working in tandem with the Foundation and have their voices heard, that does not necessitate a vote.
- Article II Section 4 Executive Director details duties best left to a job description, rather than simply saying something like ‘shall be the chief executive officer of the Foundation with other duties as assigned by the Board of Directors’.

- Article II Section 5 President of the University does not include all of the elements in the BOT policy and is at variance with the policy concerning the President or his designee serving on the board and committee membership.
- Article II Section 6 Emeritus Board Members is vague in saying they may attend 'most' meetings and events. Depending on their number they could make meetings of the board unwieldy.
- Article II Section 7 Honorary Board Members has no limits and thus, like Emeritus Board members, may make for unwieldy board meetings.
- Article II Section 10 Removal of Board Members provides more detail than necessary rather than simply saying the board may remove members with or without cause.
- Article II Section 12 Communication Between Board Members again might simply be replaced with a statement that the board will comply with the Florida Government in the Sunshine statute.
- Article III Standing Committees again goes into far more detail than is necessary in bylaws and is frequently addressed far more simply with provision for an executive committee and a committee responsible for nominations and other committees as determined and charged by the board.
- Article III Section 9 Advisory Board, in addition to Emeritus and Honorary members, appears to be overkill and a burden on staff with limited return.
- Article IV Section 1 Meetings provides for semiannual meetings, far too infrequent to address the work of a board for an organization with revenue and assets at the level of the FAMU Foundation.
- Article IV Section 2 Quorum For Transacting Business provides for a quorum of half the board, an unusually low level.

- Article IV Section 4 Presiding Officer(s) can be covered in the officer job descriptions.
- Article IV Section 5 Collective Authority and Action is another area that can be covered by simply referencing the statute.
- Article V Order of Business is not necessary.
- Article VI Approved Major Activities is not necessary.
- Article X Confidentiality of Foundation Documents is a matter better left to referencing the statute.
- Article XI Checks is a matter better left to policy.
- Article XII Audits Section 1 would be better covered in a board charge to a committee.
- Article XII Section 2 Operational Audit has only been followed irregularly and thus might be better addressed as a charge to a committee to conduct one as needed.
- Article XIII Budgets is an item that, were it included in a MOU, would not need to be included in the bylaws.
- We could not find language in the bylaws complying with BOT policy D 2 and 10.

III. RECOMMENDATIONS

A. FAMU Board of Trustees Policy 2018.01 on DSOs

1. Amend the policy to remove the requirement in Section D for the inclusion of the 12 provisions in the DSO's bylaws and specify the procedure for continued certification.
2. Develop a memorandum of understanding (MOU) between the University and the DSO to include the requirements of the policy and any other provisions the University may deem appropriate.

The MOU also should require the DSO to meet annually with the BOT Committee on Direct Support Organizations and Athletics to review the DSO's request for continued certification, the MOU, and any other relevant issues.

B. FAMU Foundation Articles of Incorporation

1. Amend and restate the articles of incorporation to include that which is required by statute.
2. Include a provision for indemnification of board members acting in good faith.
3. Revise the dissolution clause to stipulate that dissolution is triggered if the BOT decertifies the Foundation and that the assets of the Foundation are transferred to the University BOT or a nonprofit organization it specifies.
4. Seek legal advice as to whether the statutory provision that requires a statement identifying any organization to which the corporation is subordinate would necessitate a description of how the Foundation is subject to the BOT on a number of matters.

C. FAMU Foundation Bylaws

1. Given the extensiveness of the changes we are recommending we believe it is best to start from scratch in developing the bylaws. The document should be tightly written referencing statutes, regulations, and policies where necessary without reciting them. The document should be simple and straightforward so that adherence to it can be relatively easy. Having to submit a copy to the IRS with the annual 990 report every time there is a substantial change in the bylaws is a nuisance when the most frequent changes actually are policy updates.

2. Do not include the section on Conflict and Duality of Interest but leave that issue to policy.
3. Remove the provision for a possible third four-year term for members; remove the provision that limits the future terms of a board member who resigns; clarify that a board member initially elected to fill a partial term is still eligible to serve two four-year terms following the initial partial term; and add a provision that a board member who has served two full terms is not eligible for re-election until a year has passed since conclusion of the second term.
4. Remove the provision grandfathering in board members whose terms began prior to January 1, 2024. Divide those members into three classes by length of service and revise the terms of those in the longest-serving class to end December 31, 2025, those of the next longest-serving class to end December 31, 2026, and those of the third-longest serving class to end December 31, 2027.
5. Consider changing the positions held by the National Alumni Association President or her/his designee, the Director of Alumni Affairs, the President of the Rattler Boosters or her/his designee, the faculty member, and the student from *ex officio* members to representatives to the board. Consider including the University's chief academic officer as a board member along with the chief financial officer so that these important viewpoints are represented. Each *ex officio* or designated board member should have a vote to carry out her/his fiduciary duties. The most important *ex officio* votes are those of the President or her/his designee and the BOT Chair or her/his designee, because they represent the position of the University on matters on which the board is voting.
6. Do not include the description of the University President's duties since these should be included in the MOU.

7. The Emeritus Board Member provision should be included but revised to remove attendance at Board meetings. They can be honored with their names listed wherever the board is listed (website, letterhead, *e.g.*), at events such as an annual reunion of board members, by serving on a committee, or invited to speak at a board meeting on an issue where their counsel would be valuable.
8. Evaluate the benefit of Honorary Board members in light of the staff time required to service these members. The return on investment would likely be low to poor. As a result, consider eliminating this program at the end of the latest appointed members' terms.
9. Revise the provision on removing board members to be with or without cause.
10. Do not include the section on Communication Between Board Members, but simply include a phrase such as "the board will conduct its business and communications in compliance with the statute."
11. Consider including only the Executive Committee and Governance Committee, broadly describing the scope of those committees, and leaving the more detailed descriptions of their responsibilities to a committee charter. Leave to the Board the establishment and charging of other committees. Align additional committees with core functions, thus creating only three additional committees: Finance, Administration, and Investment; Audit; and Development.
12. Evaluate the benefit of the Advisory Board against the work involved and consider eliminating it, similar to the recommendation about Honorary Board members.
13. Provide for quarterly board meetings.
14. Require a larger quorum, such as a majority of the elected board members.
15. Do not include the section on presiding officers but revise the job descriptions accordingly.

16. Do not include the sections on Collective Authority and Actions, Order of Business, Approved Major Activities, Confidentiality of Foundation Documents, Checks, Audits, and Budgets.

IV. CONCLUSION

This review was conducted fairly rapidly to respond to the request to have it completed expeditiously, and thus we look forward to discussing it with you to ensure that we have not erred in our understanding or interpretation of documents and practices.

In addition to considering bylaw revisions, there should be a review of FAMU Foundation policies. There were a number of policy recommendations in our assessment, most notably a gift acceptance policy, and there likely will need to be additional policies developed in light of bylaw changes. We would be pleased to assist you in that regard as part of our current engagement.

Further, there should be a review of the Foundation's annual certification report as provided for in Article XIV of its bylaws. We recommend that this be conducted by the University's internal audit office.

BYLAWS
OF THE
FLORIDA AGRICULTURAL AND MECHANICAL
UNIVERSITY FOUNDATION, INC.



Adopted and Promulgated on November 18, 2023

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**BYLAWS OF THE FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOUNDATION, INC.**

**ARTICLE I
MISSION, DEFINIED TERMS, OFFICE LOCATION, BOARD OF DIRECTORS**

Section 1. Mission

The mission of the Florida Agricultural and Mechanical University Foundation, Inc. is to assist the University in achieving its mission by raising and stewarding contributions through exceptional management, investment, and administration of assets received.

Section 2. Defined Terms

Capitalized terms used in these Bylaws shall have the meanings ascribed to them in that particular section or in Article XVIII below.

Section 3. Office Location

The principal office location of the Foundation will be located in Tallahassee, Leon County, Florida.

Section 4. Board of Directors

The primary responsibilities of the Florida Agricultural and Mechanical University Foundation, Inc. (Foundation or Organization) Board of Directors are as follows: to receive, hold, invest, and administer donation (e.g., cash, stocks, property, etc.) and to make expenditures to and for the benefit of the Florida Agricultural and Mechanical University (University or FAMU); to operate in the best interest of the University consistent with the University's goals and mission; to advocate for the mission and purposes of the organization; to prudently manage and control Foundation assets and gifts in accordance with applicable law and the donor's intent; to participate in the selection of an executive

director as provided by the University President; to support and provide the University President with input on the performance of the executive director; to ensure effective Foundation planning; to monitor and strengthen Foundation programs and services; to ensure the availability of adequate financial resources for the Foundation; to protect Foundation assets and provide financial oversight; to build and sustain a competent Foundation Board; to ensure legal and ethical integrity; and to enhance the Foundation's public standing.

As to the standard of care to be exercised by Board members, each member shall stand in a fiduciary relation to the Foundation and shall perform his/her duties as a Director, including his/her duties as a member of any committee of the Board upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interests of the University and the Foundation, in conformance with the requirements of Section 112.3251, Florida Statutes (citizen support and direct-support organizations; standards of conduct), and Section 286.011, Florida Statutes (the "Florida Government in the Sunshine Law") and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his/her duties, a member shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: 1) one or more officers or employees of the Foundation whom the member reasonably believes to be reliable and competent in the matters presented; 2) legal counsel, public accountants, or other persons as to matters which the member reasonably believes to be within the professional or expert competence of such person; and 3) a committee of the Board upon which he/she does not serve, duly designed in accordance with the Bylaws, as to matters within its designated authority, which committee the member reasonably believes to merit confidence. A member shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause his/her reliance to be unwarranted.

Section 2. Conflicts and Duality of Interest

No contract or other transaction between the Foundation and one or more of the directors of any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested is either void or voidable

because of such relationship or interest, because such director or directors are present at the meeting of the Board of Directors or a committee thereof that authorized, approved or ratified such contract or transaction, or because his or their votes are counted for such purpose, if the contract or transaction is approved in compliance with the provisions of Sections 617.0832 and applicable provisions of the Code of Ethics for Public Officers and Employees, Part III of Chapter 112, Florida Statutes, as now or hereafter amended.

ARTICLE II **MEMBERSHIP**

Section 1. Composition, Terms and Manner of Election

The number, qualifications, terms of office, and manner of selection/election of the Board of Directors of the Foundation shall be as follows:

(a) **Composition** - There shall be a minimum of fourteen (14), but not more than thirty-one (31) directors elected in the manner prescribed in these Bylaws, as well as the ex-officio directors provided in this section. The members of the Board of Directors and designated ex-officio members as provided in these Bylaws shall constitute the voting members of the Foundation.

(b) **Nomination** - Members of the Board of Directors shall be nominated and elected to four (4) year terms. All nominees shall be submitted to the University President for University Board of Trustees approval. Vacancies occurring during a term shall be filled for the unexpired portion thereof in the manner provided for the election of directors. All directors shall hold office until the expiration of their terms and until their successors have been elected or until death, resignation or removal. All reappointments are also subject to the approval of the University Board of Trustees.

(c) **Terms of Office** - The terms of office of elected directors shall be staggered so that the Board of Directors shall elect approximately seven (7) members to the Board annually, provided that the total number of directors does not exceed thirty-one (31) persons.

(d) **Board Member Term Limits** - An Elected Director will hold a four-year term commencing January of the following year or, if filling a board member's vacated

seat prior to their term ending, immediately following election, and continuing through the end of that member's term.

After serving one (1) term, the Director shall be eligible for re-nomination and election upon showing a desire for continued membership in writing and in accordance with the criteria outlined in Article III, Section 5 of the FAMU Foundation, Inc. Bylaws. No Elected Director may serve more than a maximum of eight (8) total years or two (2) four-year (4) terms. Notwithstanding the provisions of the previous sentence, the Board Governance and Stewardship Committee may recommend that, in the best interest of the University, the Board waive the two-term limitation described herein, provided that the issuance of such a waiver shall not be deemed to modify or supersede any other provision or requirement of these Bylaws. For avoidance of doubt, no Elected Director subject to the provisions of this Section may serve more than a maximum of twelve (12) total years or three (3) terms.

This section would affect all elected board directors whose initial terms of service begins January 1, 2024, and thereafter. This Section does not apply to Directors who are described in Article II, Section 3.

This Section will not apply to those elected Board of Directors whose terms began prior to January 1, 2024.

If a board member resigns from the Board and at some point, wishes to join the Board again, then they must go through the nomination process and if successful their tenure will include any time previously served.

(e) **Manner of Election** - Members placed into nomination by the Board Governance and Stewardship Committee shall be elected to board membership by a majority vote of the full Board. In evaluating an individual for election or re-election as a Board member, the Board Governance and Stewardship Committee will consider, in addition to the criteria for new nominees set forth above, their record in the following areas:

- (i) knowledge of the University and higher education in general;
- (ii) active participation in and consideration to activities of the Board and the University;
- (iii) responsiveness and commitment to the Board and the University;
- (iv) offices held;

- (v) attendance at meetings;
- (vi) visibility in the community on behalf of the University; and
- (vii) advocacy of the interests of the entire University rather than any part or constituency.

Section 2. Elected Officers

The officers of the Foundation Board will be the Chair, Vice Chair, Treasurer and Secretary. Such officers shall be elected and serve as provided in these Bylaws. Only members of the Board of Directors may be nominated and elected as an officer. Members of the FAMU Board of Trustees may not serve as elected officers of the FAMU Foundation. In the event a FAMU Foundation officer is appointed to the FAMU Board of Trustees, the FAMU Foundation Board member must resign from the elected office, but may still serve as a member of the FAMU Foundation Board. Any Foundation meeting at which two or more Board of Trustees members are present must be publicly noticed in the same manner as a regular Board of Trustees meeting is noticed.

(a) **Elected Officers Terms of Office** - The officers of the Foundation shall be elected for a two (2) year term. Officers may be elected for one (1) additional term; provided, no officer shall serve more than two (2) consecutive two-year terms.

(b) **Chair** - The Chair of the Board of Directors shall preside over all meetings of the Board, and shall perform other duties which may be assigned from time to time by the Board of Directors including, but not limited to, signing all contracts authorized by the Board.

(c) **Vice-Chair** - The Vice-Chair shall preside over all meetings in the absence or disability of the Chair and shall perform all duties which may be assigned from time to time by the Chair. In the event of a vacancy or prolonged disability in the office of the Chair, the Vice-Chair shall perform all the duties of the Chair for the unexpired term.

(d) **Treasurer** - The Treasurer shall monitor and review all financial transactions of the Foundation and shall ensure proper disbursement of Foundation funds. The Treasurer, with such other officer or director as designated by the Board of Trustees, shall sign checks on behalf of the Foundation as provided in these Bylaws.

(e) **Secretary** - The Secretary shall ensure the recording of minutes for all meetings of the Board of Directors and the Executive Committee and shall ensure these

records are maintained by the appropriate staff for that purpose. The Secretary shall attend to the giving and serving of all notices required by the Bylaws of this Foundation. The Secretary shall countersign, in the name of the Foundation, all contracts authorized by the Board of Directors, and when so ordered by the Board of Directors, the Secretary shall affix the corporate seal of the Foundation thereto. The Secretary shall have charge of all such books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the examination of any director and they shall in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors. The Secretary must be a member of the Board of Directors.

Section 3. Designated Ex-Officio Membership

(a) The President of the University, Chief Financial Officer of the University, President of the National Alumni Association, Director of Alumni Affairs, and the Chair of the Board of Trustees or their designees shall be members of the Board of Directors by virtue of their positions. Individuals serving in the aforementioned positions will serve as long as he or she holds the office or the position, or the designating individual holds the office or position, which resulted in his or her placement on the Board of Directors. In any event, designees serve at the pleasure of the designor. Any vacancies in the aforementioned positions will be filled for the unexpired portion in the manner provided for the appointment.

(b) The Directors shall also include among board membership persons who hold the following positions: a Faculty representative from the Faculty Senate recommended by the University President after consultation with the Faculty Senate Chairperson and a current Student Government Association (SGA) representative or student representative who is not serving on the Board of Trustees, recommended by the University President after consultation with the SGA President. Members serving in an ex officio capacity as designated under Subsections (a) and (b) above shall be considered members of the Foundation Board for all purposes and shall be entitled to the same rights and emoluments of membership as any other director, including the right to vote.

Board members as designated under Subsections (b) above will serve a term of one-year commencing immediately following appointment and continuing through the meeting closest to the end of one year. These directors must sign and adhere to the Minimum

Participation Standards for Ex-Officio Membership and must adhere to the Code of Ethics and Standards of Conduct set forth by the Board. These directors may be re-elected for an additional term after showing a desire for continued membership in writing. These members must adhere to all provisions of the Bylaws, except as specifically provided elsewhere in the Bylaws.

Section 4. Executive Director

The Executive Director shall be responsible for the general day-to-day management of the affairs of the Foundation and shall exercise such authority to accept gifts, collect revenues, and make routine expenditures as may be delegated by the Board of Directors or the Executive Committee. The selection, discipline and firing of FAMU employees shall be by the Executive Director with the consent of the Vice President of University Advancement (provided these individuals are not one and the same person). Additionally, the Executive Director shall be responsible for the oversight, reporting and coordination of all activities pertaining to the portfolio investment strategy and administration. The Executive Director shall also be responsible for the maintenance and management of any or all of the Foundation's activities as may be required by the Board of Directors.

The Executive Director shall be selected by and shall report to the President of the University.

Section 5. President of the University

The President of the University shall have the powers and the duties of president of a state university in Florida as contemplated by law, and in regards to the Foundation it is recognized the University President's powers and duties include, but are not limited to the following:

- (a) Monitor and control the use of University resources by the Foundation;
- (b) Establish fundraising priorities that are consistent with the University's mission and ensure coordination of fundraising activities among all University direct support organizations;
- (c) Establish the thresholds for approval of purchases, acquisitions, projects and the issuance of debt according to Board of Trustees regulation;
- (d) Control the use of the University's name;

(e) Monitor compliance of the Foundation with University regulations and policies and relevant state and federal laws, and provide reports and recommendations as required or necessary to the University Board of Trustees;

(f) Ensure that any political activities of the Foundation are coordinated with the University President's office;

(g) Review and approve the Foundation's quarterly expenditure plan, to determine if there are significant changes in Foundation's projects funded, expenditures or income projected in the approved annual budget or which would cause a significant commitment of the University's or Foundation's resources, as provided by University regulations and policies; and

(h) Approve Foundation contributions of funds or supplements to support Intercollegiate Athletics.

The President of the University shall be an ex-officio voting member of all standing committees, except the audit committee of the Board of Directors.

Section 6. Emeritus Board Members

Any incumbent, deceased, or former Board member who has made an exceptional contribution to the progress and welfare of the University and has served with distinction and devotion as a Director for ten (10) years or more may be considered for designation by the Board as an Emeritus Board Member. Emeritus Directors are welcome to attend most meetings and special events of the Board of Directors. They may participate in discussions but shall not be entitled to vote with the full Board on board matters, nor hold or be appointed to serve as chair of any committee. In no event shall the Foundation be responsible for scheduling, reimbursing, or paying for any travel expenses or accommodation of an Emeritus Board Member associated with that member's attendance at any meeting of the Board.

Section 7. Honorary Board Members

Individuals whose achievements characterize them as a person whose name may lend further distinction to the Foundation may be nominated for honorary membership on the Board of Directors. These persons may be recommended by members of the Board, reviewed and nominated by the Board Governance and Stewardship Committee, and voted upon by the full Board of Directors. Honorary members may serve for a term of four (4)

years. Membership may be renewable upon a majority vote of a quorum of the Board members at any annual meeting or other meeting called for such purpose.

Honorary membership will entitle the individual to be listed on Board stationery and documents, as well as Board programs; however, honorary membership does not entitle honorary members to voting privileges. They may participate in discussions but shall not be entitled to vote with the full Board on board matter, nor hold or be appointed to serve as chair of any committee. Attendance at Board meetings will not be required. In no event shall the Foundation be responsible for scheduling, reimbursing, or paying for any travel expenses or accommodations of an Honorary Board Member associated with that member's attendance at any meeting of the Board.

Section 8. Absence or Incapacity of Officers to serve

In the event of absence, disability, or refusal to act of any of the officers of this Foundation, except the Chair, the Board of Directors may appoint any member to perform the officer's respective duties.

Section 9. Resignation

An elected director may resign at any time by submitting a written resignation to the Chair of the Foundation with a copy to the Secretary.

Section 10. Removal of a Member

An Elected Director may be removed by a two-thirds vote of the Board of Directors present and voting, whenever in the Board's judgment the interests of the Foundation would be best served. Examples of a reason an elected director may be removed include, but is not limited to, the following:

- (a) refusal or failure to fulfill his or her annual financial responsibility to the Foundation, as promulgated from time to time in the Foundation's Policy and Procedures, from January 31st thru December 31st.
- (b) refusal or failure to remain financially responsible; if a director fails or refuses to become financially responsible within ten (10) days, after being so advised by the Board Chair, that director shall be denied paid travel and lodging accommodations to future board meetings and any other benefits of board membership to which that director might otherwise be entitled.

- (c) more than two (2) unexcused absences in a two-year period; unexcused absences may only be granted by the Chair; any director exceeding this limit may forfeit his or her position on the Board of Directors, subject to a final vote on such removal for cause by a majority vote of the Executive Committee.

Section 11. Compensation

Elected directors shall not receive compensation for their services but may be reimbursed for reasonable expenses incurred for travel, meals and lodging associated with their attendance at meetings of the Foundation or when traveling on Foundation business. No state or University funds shall be used for travel expenses by any director.

Section 12. Communications Between and Among Directors

All communications between and among Directors shall be governed by Section 286.011, Florida Statutes (“Florida Government in the Sunshine Law”). The Sunshine Law requires boards to meet in public; Directors may not take action on or engage in private discussions regarding board business via written correspondence, e-mails, text messages, by telephone, or other electronic communications; nor may Directors use other means of electronic communication to conduct private discussions among themselves about board business.

ARTICLE III
STANDING COMMITTEES

There shall be an Executive Committee, Investment Committee, Audit Committee, Bylaws Committee, Board Governance and Stewardship Committee, Development Committee, Finance Committee, Advisory Committee and such additional standing or special committees as the Board may establish from time to time.

Section 1. Appointment of Committees

With the exception of the Executive Committee, the members of all the committees shall be appointed by the Chair of the Board of Directors. The Chair of the Board of Directors shall also appoint one member of each committee to serve as its Chair and one member of each committee to serve as its Vice-Chair. The Chair of the Board of Directors shall also have the power to appoint members to such additional standing or special committees as the Board may need from time to time.

Section 2. Executive Committee

- (a) The Executive Committee of the Board of Directors shall consist of the:
Chair of the Board of Directors,
Vice-Chair of the Board of Directors,
Secretary of the Board of Directors,
Treasurer of the Board of Directors,
President of Florida Agricultural and Mechanical University, and
Chair of the Board of Trustees of Florida Agricultural and Mechanical University, or appointed designee.

The Chair of the Board of Directors shall be the chair of the Executive Committee.

(b) The Executive Committee shall meet at the call of the Chair of the Board of Directors. The presence of a majority of Committee members shall constitute a quorum and the affirmative vote of a majority of a quorum present shall be necessary for the adoption of any resolution.

(c) The Executive Committee shall provide governance to the Foundation in the intervals between the regular meetings of the Board of Directors. It shall have all the power and authority of the Board and other committees of the Board, except for the Audit Committee, with respect to the affairs of the Foundation, subject only to such restrictions or limitations as the Board of Directors may specify from time to time.

(d) The Executive Committee shall not have the authority to fill vacancies on the Board or the Executive Committee, elect or remove officers, amend, alter or repeal the Bylaws or Articles of Incorporation of the Foundation or any resolution of the Board, take any action on matters committed by the Bylaws or resolution of the board solely to another committee of the Board. All actions of the Executive Committee shall be reported in writing to the Board of Directors within thirty (30) days after such action is taken or at the next meeting of the Board of Directors, whichever event occurs first. All action of the Executive Committee shall be included in the minutes of the Board of Directors.

Section 3. Investment Committee

(a) The Investment Committee shall provide advice to the Board of Directors and Executive Director regarding the management of the Foundation's investment portfolio. The Committee's responsibilities shall include, but not necessarily be limited to,

the approval of endowment investment guidelines, objectives, investment allocations, the selection of investment advisors and consultants, and the review of the performance of investments.

(b) The Chair or Vice Chair of the Investment Committee is granted authority to make changes of Investment Managers while keeping the overall asset allocation as previously approved by the Board.

(c) The Investment Committee shall meet four (4) times annually to address investment issues.

(d) The Investment Committee shall report quarterly to the Board of Directors.

Section 4. Audit Committee

(a) The Audit Committee shall receive and analyze financial reports to ensure that the information contained in such reports accurately describes the financial condition of the Foundation.

(b) It must attest that internal controls are in place to provide the necessary level of confidence, and that there are no material weaknesses in financial controls, and/or set timelines for improvements where deficiencies are identified. The Audit Committee must ensure in accordance with the mandate of the FAMU Board of Trustees that the audit company and/or visiting audit team is changed every two to five years to ensure an unbiased creditable audit of the Foundation records is accomplished.

(c) The Audit Committee shall be responsible for recommending the appointment of the independent public accountants, as well as review the cost and scope of any audit provided by such accountants or auditors. Any independent public accountants or auditors recommended by the Audit Committee to the Board of Directors shall be selected and approved in accordance with such policies or regulations governing the selection and retention of auditors as adopted by the University Board of Trustees.

(d) The Committee shall be responsible for the review and evaluation of the reports prepared by the independent accountants that describe any weakness in the Organization's internal accounting and management controls, and that contain recommendations for improvements in such controls. The Committee shall determine if management has taken appropriate action on such recommendations.

(e) It shall also have responsibility to review the annual financial statements with the independent accountants and review new or proposed accounting standards which affect the banking, investment and fundraising industries, and their impact on the Foundation.

(f) The Audit Committee shall meet bi-annually prior to the Board meeting or as necessary to address audit issues.

Section 5. Board Governance and Stewardship Committee

(a) The Board Governance and Stewardship Committee shall be charged with: receiving, evaluating and presenting to the Foundation Board nominations for new members and officers, in the manner provided in these Bylaws; developing a policy for member recruitment and officer selection; nominating individuals for special recognition as Emeritus Members of the Foundation; developing a plan for orientation of new members; developing a plan for continuing education of members; and monitoring the attendance, participation and financial responsibility of members.

(b) The purpose of the Committee is to ensure the integrity of the Board and enhance Board performance. The Committee is also responsible for establishing and maintaining standards of Board conduct, identifying the expertise and experience needed by the Board, ensuring members have appropriate orientation and ongoing education, periodically reviewing and ensuring compliance with these Bylaws and other Board policies, managing the process for deciding whether to reappoint a board member, planning for leadership succession, honoring and recognizing retiring members, identifying best practices in foundation governance and customizing such practices as appropriate for this Board.

(c) The Board Governance and Stewardship Committee shall solicit nominees for the Board from the University community and the national community as well. Upon its consideration of an individual for nomination to the Board, the Committee shall consider the individual's demographic location and demonstrable qualities in the following areas:

- (i) intelligence, wisdom, and high moral character;
- (ii) devotion and willingness to be active and energetic in exercising critical judgment on policy matters;

- (iii) ability to work collegially with other Board members, the administration, faculty, staff, students, and the University community at large;
- (iv) notable record of leadership and accomplishment in the community or in a particular area of expertise; and
- (v) willingness to support the University through personal giving and/or fundraising.

(d) The Committee shall meet annually to review the terms of the Board of Directors and to prepare recommendations for the Board regarding the nomination of Board members, in accordance with Article II, Section 1, of the Bylaws. The Committee shall present to the Board of Directors recommendations regarding candidates for officers of the Board. The recommendations will be made available to Board members at least thirty (30) days before the annual meeting.

(e) Prospective Members placed into nomination by the Committee shall be elected to board membership by a majority vote of the full Board. The Board shall vote individually on each member. In evaluating an individual for election or re-election as a Board member, the Committee will consider, in addition to the criteria for new nominees set forth above, their record in the following areas:

- (i) knowledge of the University and higher education in general;
- (ii) active participation in and contribution to activities of the Board and the University;
- (iii) responsiveness and commitment to the Board and the University;
- (iv) offices held;
- (v) attendance at meetings;
- (vi) visibility in the community on behalf of the University;
- (vii) advocacy of the interests of the entire University rather than any part or constituency; and
- (viii) demonstrated financial commitment to the University.

Section 6. Bylaws Committee

The Bylaws Committee shall meet annually or as necessary to review the Bylaws of the Foundation to assure that guidelines for operating the business of the Board are

properly updated and make recommendations to the Board regarding amendments and modifications as necessary.

Section 7. Development Committee

(a) The Development Committee shall provide advice to the Board of Directors, the Executive Committee, and the Foundation regarding securing private, external financial support for the University.

(b) The Development Committee shall also assist in the identification, cultivation, and solicitation of private gift prospects for the University as necessary.

(c) The Development Committee shall meet a minimum of two (2) times annually.

Section 8. Finance Committee

(a) The Finance Committee shall establish and be responsible for the fiscal policy, including budget and spending. It shall review the annual budget and periodically ensure that the budget and current funds of the Foundation are administered in accordance with the policies of the Board of Directors.

(b) The Finance Committee shall develop and review overhead charges, capital equipment purchasing and operation, and other policies. The Finance Committee is required to make detailed reports to the Board of Directors.

(c) The Finance Committee shall receive and consider the Foundation's budget for each fiscal year as presented by the Executive Director. It shall then present the budget with appropriate recommendations to the Board of Directors at the last regular meeting prior to the beginning of the next fiscal year. Subsequent amendments or revisions shall be considered by the Committee and submitted with any recommendations to the Executive Committee.

(d) The Finance Committee shall meet with the Foundation staff periodically to compare spending with the policies of the Foundation and the budget, and make recommendations to the Executive Director and Board.

(e) The Treasurer of the Foundation, or their designee, shall be the secretary of the Finance Committee and shall keep minutes of the actions of the Committee.

(f) The Finance Committee shall further be charged with overseeing all matters concerning real estate owned or operated by, or being considered for purchase or operation

by the Foundation, and recommending any action relating to such matters that the committee deems advisable. The Committee shall participate, where appropriate, in the cultivation of private gifts of real property to the Foundation.

Section 9. Advisory Board

(a) Advisory Board members are individuals whose achievements and business acumen characterize them as persons qualified to actively advise the Foundation Board as well as recommend prospective individuals or donors that may lend further distinction to the Foundation.

(b) The specific purposes for which the Advisory Board will include but not be limited to: leveraging the skill sets and networks of Advisory Board members; facilitating creation of a pool of persons who are experienced, from whom future Foundation Board members may be drawn; establishing a defined network of goodwill ambassadors for the Foundation to further facilitate fund-raising and friend-raising; providing external feedback to the Foundation and the University; providing affinity memberships for retired corporate executives, major contributors, benefactors and selected emeritus Board members; analyzing and evaluating matters or single issue topics of interest to the Foundation Board, requiring special or objective examination over an extended period of time.

(c) The Advisory Board shall focus on advancing the philanthropic function of the Foundation Board, through referral of prospective individual or corporate donors. Further the Advisory Board members would be individuals dedicated to ensuring the enhancement of the status of the Foundation and the University.

(d) Advisory Board membership will entitle the member to be listed on Board stationery and documents, as well as Board programs. Advisory Board membership shall be limited to fourteen (14) positions and members. Advisory Board members shall have no Board voting privileges and shall not be vested with either fiduciary responsibilities or decision-making authority. Attendance at Foundation Board meetings is not required.

(e) These persons may be recommended by members of the Board, reviewed and nominated by the Board Governance and Stewardship Committee, and voted upon by the full Board of Directors. Advisory members may serve for a term of four (4)

years. Membership may be renewable upon a majority vote of a quorum of the Board members at any annual meeting or other meeting called for such purpose.

Section 10. Membership and Quorum of Standing Committees

(a) The membership and standing committees, except for the Advisory Board, shall be composed of persons who are members of the Board of Directors. Committee members shall serve during the entire time of their term on the Board in accordance with Article II, Section 1(b) of these Bylaws.

(b) A majority of the voting members of a committee shall constitute a quorum for the transaction of business unless otherwise provided in these Bylaws. The acts of a majority of the members present and voting at a meeting at which a quorum is present shall be the acts of the Committee, except as specifically provided elsewhere in the Bylaws.

ARTICLE IV
MEETINGS

Section 1. Regular Meetings

The Board of Directors shall meet semi-annually. The time and place shall be determined by the Chair of the Board. At the last Board of Directors meeting during the calendar year, the Board shall elect directors as provided for in the Articles of Incorporation and Bylaws and shall transact such other business as may be brought before the Board. All elected and appointed directors shall be approved by the FAMU Board of Trustees, except those that serve by virtue of their positions.

Section 2. Special Meetings

Special meetings of the Board of Directors must be called by Chair or by a petition of three-fourths (3/4) of the current Directors.

Section 3. Quorum for Transacting Business

One-half (1/2) plus one of the current membership shall constitute a quorum at any meeting of the Board of Directors. All questions shall be determined by majority vote of the quorum present. A majority of all members of the Board of Directors, however, must concur in the following:

- (i) Amendments to the Bylaws; and
- (ii) Amendments to the Articles of Incorporation.

Section 4. Meetings Notices

Notice of meetings shall be communicated by the Secretary to the directors not less than thirty (30) days preceding any meeting except special meetings as defined in Section 2 and shall also be publicly noticed in accordance with the requirements of the Chapter 286, Florida Statutes.

Section 5. Presiding Officer(s)

The Chair, or in the Chair's absence, the Vice-Chair, shall preside over all meetings of the Board of Directors. In the absence of both the Chair and Vice-Chair, the Board may appoint any member present to act as chair. The Secretary of the Foundation shall act as secretary of all of the meetings of the Board of Directors, but in the event of the Secretary's absence, the presiding officer may appoint any member present to act as Secretary of the meeting.

Section 6. Collective Authority and Action

Actions of the Board or its Committees may be taken by a majority of a quorum of the members of the Board or Committee present at the meeting and voting in person or by telephone conference to the actions. "By telephone" includes facsimile, video conference, electronic transmission (such as email), satellite broadcast, or any other electronic means, to the extent permitted by the law and the provisions of Chapter 286, Florida Statutes. The written consent(s) will be filed with the minutes of the proceedings of the Board or Committee. Action by written consent will have the same force and effect as action by voice vote of the Board or its Committees.

In accordance with applicable provisions of Chapter 286, Florida Statutes, the Board or any Committee of the Board may be called into Executive Session in the course of any meetings, as appropriately noticed and included in the agenda, to consider pending litigation expenditures and resolution and research funding proposals.

ARTICLE V
ORDER OF BUSINESS

The order of business at all meetings of the Board of Directors shall be as follows, unless otherwise determined by the Chair or a majority of the directors present:

1. Roll Call
2. Reading of minutes of last meeting

3. Consideration of communications
4. Resignations and elections
5. Reports of officers
6. Reports of committees
7. Unfinished business
8. Original Resolutions and new business
9. Adjournment

ARTICLE VI
APPROVED MAJOR ACTIVITIES

Approved major activities of the Florida Agricultural and Mechanical University Foundation, Inc., shall be as determined and established by the Board of Directors. They may include, but are not to be limited to: a corporate support program, capital gift program, and planned giving and philanthropic foundations. However, the giving, directly or indirectly, of any gift to a political committee or committee of continuous existence as defined in Section 106.011, Florida Statutes, for any purpose is prohibited.

ARTICLE VII
SEAL

The seal of the Foundation shall be inscribed with the words “**Florida Agricultural and Mechanical University Foundation, Inc.**”, the figures “**1966**” and the words “**Corporation Not for Profit.**”

ARTICLE VIII
NON-DISCRIMINATION POLICY

The Foundation shall not discriminate based on race, religion, color, age, disability, sex, sexual harassment, sexual orientation, gender identity, gender expression, marital status, national origin, and veteran status as prohibited by State and Federal Statutes.

The Foundation provides equal employment opportunities for all persons regardless of race, color, religion, gender, age or national origin. Any person, vendor, and independent contractor, hired or employed by the Foundation shall not be deemed or considered an employee of the State of Florida or the University by virtue of their employment with the Foundation, except for any person with a University employment agreement that specifically states otherwise. The Foundation shall also comply with Section 1012.976, Florida Statutes.

ARTICLE IX
AMENDMENTS

Section 1. Amendment of Bylaws

The Bylaws of the Foundation may be altered or amended at any meeting of the Board of Directors by resolution approved by a majority of the Board. Written notice of any proposed amendment of the Bylaws must be mailed to each member of the Board prior to any meeting at which the proposed amendment is to be considered.

Section 2. Amendment of Articles of Incorporation

The Articles of Incorporation shall not be amended other than by vote of a majority of the Board of Directors. Written notice of any proposed amendment of the Articles of Incorporation must be mailed to each member of the Board prior to any meeting at which the proposed amendment is to be considered.

Section 3. Approval of Amendments by Board of Trustees

Any subsequent amendments to the Articles of Incorporation or Bylaws of the Foundation shall be submitted to the President of the University for the Board of Trustees for approval, prior to becoming effective.

ARTICLE X
CONFIDENTIALITY OF FOUNDATION DOCUMENTS

The successful partnership between the Florida Agricultural and Mechanical University and the Florida Agricultural and Mechanical University Foundation, Inc. is based on effective service, trust and accountability. The Florida Agricultural and Mechanical University Foundation, Inc., as a direct support organization of the Florida Agricultural and Mechanical University, believes it should be sensitive to the public scrutiny of its financial affairs. However, the Foundation's ability to assure donors and prospective donors that their financial and personal information will be held in confidence is essential to fulfilling its primary mission of raising private support for Florida Agricultural and Mechanical University. The Florida Legislature has acknowledged, in Section 1004.28(5), Florida Statutes, that certain records of the Foundation are confidential

and exempt from Florida Public Records Law. Other than the auditor's report, management letter, any records related to the expenditure of state funds, and any financial records related to the expenditure of private funds for travel, all records of the organization and any supplemental data requested by the Board of Governors, the University Board of Trustees, the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall be confidential and exempt from Section 119.07(1), Florida Statutes.

ARTICLE XI **CHECKS**

Checks or drafts on the funds of the Foundation shall be signed by two of the officers or directors authorized to do so by the Board of Directors, those officers being the Chair, Vice Chair, Secretary, Treasurer, and Executive Director of the Foundation.

ARTICLE XII **AUDITS**

Section 1. Annual Audits

a) After the close of each fiscal year, the Foundation shall cause a financial audit of its accounts and records to be conducted by an independent certified accountant pursuant to Sections 1004.28 (5) and 1010.34, Florida Statutes, as now or hereafter amended, and in accordance with such regulations and policies adopted by the University Board of Trustees, as now or hereafter amended.

b) The annual audit of the Foundation shall include as part of its audit scope the compliance testing of the Foundation with the required regulations and policies of the University governing direct support organizations, including but not limited to general accounting, fundraising and gift accounting, investment, University and Foundation employee compensation policies and procedures.

c) The annual audit report, including management letters and recommendations, management's response to the audit findings and recommendations shall be submitted to the President of the University and the Audit Committee of the Board of Trustees for the Board of Trustees review and approval.

Section 2. Operational Audit

Every three (3) years, the Board of Directors shall provide for an operational audit of the Foundation measuring and evaluating administrative controls within the Foundation against standards set by the University or the State of Florida for such organizations, including the Foundation's budget and operating policies and procedures.

ARTICLE XIII
BUDGET AND EXPENDITURES

Section 1. Preparation and Submittal of Operating Budget

Operating budgets must be prepared, at least, on an annual basis consistent with all applicable state laws and the regulations and policies of the University Board of Trustees. The annual operating budget must be approved by the Foundation Board and the President of the University and submitted by the President to the Chair of the Board of Trustees for Board approval. All salary supplements, compensation, and benefits provided to the President, University faculty, and to staff and employees of the Foundation with Foundation assets shall be detailed in the budget.

Section 2. Review and Approval of Quarterly Expenditure Plans

After approval of the yearly operating budget by the University Board of Trustees, the Foundation shall prepare and submit to the President of the University for approval a quarterly expenditure plan. The quarterly expenditure plan shall be submitted on or before the first date of the fiscal quarter in which they are to occur, and shall delineate any planned actions that would cause a significant commitment or change of University resources or represent a significant commitment or change of the resources of the Foundation such as capital projects. Expenditures must comply with thresholds established in University regulations. For example, and as stated in the University's policies, a significant commitment or change is any budgetary matter which is more than 15% but less than \$40,000 of the total amount of the Foundation's annual budget.

Section 3. Budget Amendments

The Foundation shall have the authority to amend its budget. Budget amendment requests which are provided for in Section 2 herein shall be approved by the University President, provided that no budget amendment affecting the President or the President's

compensation, salary or other benefits shall be made without the approval of the University Board of Trustees. Other budget amendment requests shall require the approval of the President and the Board of Trustees.

ARTICLE XIV

REPORTING REQUIREMENTS

On or before June 30 of each year, the Executive Director shall prepare and submit to the President of the University, on behalf of the Foundation, the annual certification report as required by University regulations and policies, providing all the documentation, reports and certifications necessary for the report, to ensure the Foundation maintains its certification as a direct support organization of the University.

ARTICLE XV

BOND

Each officer or employee who is authorized to sign checks on behalf of the Foundation; collect, hold, or disburse funds of the Foundation; or to handle negotiable instruments on behalf of the Foundation shall execute and deliver to the Foundation, at the Foundation's expense, a bond for the faithful discharge of their duties, the adequacy of which shall be determined by the Executive Committee.

ARTICLE XVI

FISCAL YEAR

The FAMU Foundation shall conduct its financial operations observing a fiscal year ending on June 30 of each year, unless otherwise approved by the University Board of Trustees.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

The Articles of Incorporation and Bylaws of the Foundation will be consistent with and in the case of a conflict, superseded by all applicable Florida Statutes, including without limitation § 1004.28 as now or hereafter amended, and the applicable University regulations and policies, including without limitation University Regulation 11.001 and University Policy 2018-01 as now or hereafter amended, and any applicable regulations of

the Florida Board of Governors including without limitation Regulation 9.011, all of which are incorporated herein by reference.

ARTICLE XVIII
DEFINITIONS

1. “Advancement” means the Florida Agricultural and Mechanical University Division of University Advancement. When Advancement employees are authorized by these Bylaws or the Foundation Board to act for the Foundation, they are acting within the scope of their University employment as an agent of the Foundation.
2. “Board of Trustees” or “BOT” means the Florida Agricultural and Mechanical University Board of Trustees.
3. “Directors” means Elected Directors and Ex-officio Directors of the Foundation Board.
4. “Elected Directors” are those directors elected by the Foundation Board and approved by the Florida Agricultural and Mechanical University Board of Trustees.
5. “Ex-officio Directors” means the Directors listed in Article II, Section 3.
6. “For cause” means actions or omissions that may adversely reflect on the interests or reputation of the Foundation or the University.
7. “Foundation” means the Florida Agricultural and Mechanical University Foundation, Inc.
8. “Officers” means the Foundation Chair, Vice Chair, Treasurer, and Secretary of the Foundation Board.
9. “University” means Florida Agricultural and Mechanical University.

10. “University President” or “President” means the President of Florida Agricultural and Mechanical University.

ARTICLE XIX
PROMULGATED AND ADOPTED AMENDMENT DATES

1. First Restatement: August 6, 2020
 - a. **Last Amended and Promulgated: November 18, 2023**
 - b. **Last Amended and Promulgated: May 10, 2023**
 - c. **Last Amended and Promulgated: October 5, 2022**
 - d. **Last Amended and Promulgated: June 3, 2021**

State of Florida



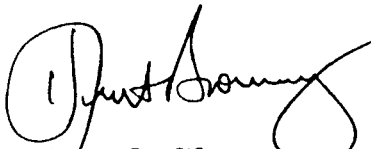
Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on March 13, 2007, for FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY FOUNDATION, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is 711371.


Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fourteenth day of March, 2007




Kurt S. Browning
Secretary of State

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
FLORIDA AGRICULTURAL AND MECHANICAL
UNIVERSITY FOUNDATION, INC.**

SECRETARY OF STATE
TALLAHASSEE, FLORIDA
07 MAR 13 PM 4:45

MAR 5 2013


Recitals

The Undersigned, as Chairman and Secretary of the Florida Agricultural and Mechanical University Foundation, Inc. (Corporation) do hereby certify that:

- A. The original Articles of Incorporation of the Corporation were filed on August 18, 1966, with the Florida Secretary of State; and
- B. An amendment was made to the original Articles of Incorporation on August 18, 1969.
- C. On November 18, 2006, the Board of Directors/Members of the Corporation voted to amend and restate the Articles of Incorporation as provided in Article IX of the Articles of Incorporation by a vote of no less than 2/3 of the members of the Board of Directors/Members; and
- D. There are no discrepancies between the Corporation's Articles of Incorporation as previously and the provisions of the duly adopted Amended and Restated Articles of Incorporation other than the inclusion of these amendments and the omission of matters of historical interest.

NOW THEREFORE, it is resolved, that the Articles of Incorporation are hereby amended and restated in their entirety on the following pages as follows:

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
FLORIDA AGRICULTURAL AND MECHANICAL
UNIVERSITY FOUNDATION, INC.**

ARTICLE I - NAME

The name of this corporation is Florida Agricultural and Mechanical University Foundation, Inc., a Florida not for profit corporation (hereinafter "Foundation").

**ARTICLE II – PRINCIPAL PLACE OF BUSINESS
AND MAILING ADDRESS**

The address of the Foundation's principal office is 200 Lee Hall, Florida A&M University, Tallahassee, Florida 32307-6100.

ARTICLE III – PURPOSES AND POWERS

The purpose for which the Foundation is organized as follows:

1. To exist and operate solely for scientific, educational, religious and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended.
2. To be organized and operated as a direct-support organization of Florida Agricultural and Mechanical University as defined in Section 1004.28, Florida Statutes, as may be amended or supplemented.
3. To encourage, solicit, receive and administer gifts and bequests of property and funds for scientific, educational and charitable purposes, all for the advancement of Florida Agricultural and Mechanical University and its objectives and purposes and to that end to take and hold either absolutely or in trust for any of said objectives and purposes, funds and property of all kinds, subject only to any limitations or conditions imposed by law or the instrument under which received; to sell, lease, convey and dispose of any such property and to invest and reinvest any proceeds and other funds, and to deal with and

expend the principal and income for any purposes herein authorized; to act as trustee; and, in general, to exercise any, all and every power, including trust powers, which a corporation not for profit organized under the laws of Florida for the foregoing purposes can be authorized to exercise.

4. To promote and support education; to provide (a) funds which are not provided from public sources for use in the furtherance of the education and welfare of Florida Agricultural and Mechanical University (University), its faculty and students; (b) funds to be used in attracting experienced and outstanding instructors, educators and scientists to such university; (c) educational facilities, including dormitories; (d) scholarships.
5. To do and perform any acts and expend its funds in any manner which the Board of Directors/Members shall determine will be beneficial to education and the University.
6. Upon specific approval of the Board of Directors/Members, to borrow such sums, on such terms and with such security, if any, as may be prescribed in such approval, but no trust assets may be pledged or committed in a manner that would violate the trust upon which held.
7. All of the assets and income of the Foundation shall be used only for the purposes hereinabove setout, including the payment of expenses incidental thereto; and no part of its assets or income shall be distributable to, nor inure to the benefit of its members, directors or officers, and no substantial part of its activities shall be for the carrying on of propaganda or otherwise attempting to influence legislation, and the Foundation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office
8. The Corporation be further empowered:
 - (a) To receive by gift, devise, bequeath or otherwise any money or property, absolutely or in trust, to be used either the principal or the income therefrom, either immediately or in the future, for the furtherance of any of the corporate purposes expressed in its charter or for any other purpose which may hereafter be or become within corporate powers.

(b) To receive and hold by gift, bequeath, devise, grant or purchase, any real or personal property including intents, copyrights, royalties, contracts, obligations of individuals or corporations and to use and dispose of the same either as specified by the donor or for the furtherance of the objectives listed above. To receive, invent, disburse and properly account for funds.

(c) To act and perform the duties of trustees or to act in any other fiduciary capacity under deed or trust, will, codicil, patent, agreement either oral or written, or other instrument incidental to and for the purpose of carrying out any of the foregoing objectives or matters and things kindred thereto; and to obligate itself to perform and execute any and all such conditions or trusts.

(d) To enter into contracts with governmental or private agencies or individuals who wish to use the services provided by the corporation and to sue or be sued in regard to such contracts.

(e) To prosecute and/or aid in the prosecution of applications for patents, both foreign and domestic, to develop the commercial value thereof and to assume and pay appropriate expense incurred in connection therewith. To grant license under all patent held, to dispose of rights therein and to receive or collect royalties or other consideration for use of patents or patent rights or interest in devices, articles, or processes to forward the purposes and objectives as listed herein.

(f) To employ personnel as needed to carry out the objectives of the corporation and to purchase equipment and supplies and construct, purchase or rent buildings as needed to carry out the aforesaid objective.

(g) To buy, or otherwise acquire, hold, own, use, export, import, process, develop, assemble, manufacture, sell, assign, lease, exchange, dispose of, license the use of, and otherwise deal in all kinds of goods, wares, merchandise and products of every nature and description and to engage and participate in any industrial, mercantile or manufacturing trade or business of any kind or character whatsoever.

(h) To purchase, lease or otherwise acquire real and personal property and leaseholds thereof and interests therein, and to own, hold, manage, develop,

improve, equip, maintain and operate, and to sell, convey, exchange, lease or otherwise alienate and dispose of, and to mortgage, pledge or otherwise encumber any and all such property and any and all legal equitable rights thereunder and interests therein.

(i) To design, develop, apply for, obtain, register, purchase, lease or otherwise acquire and hold, own, put to use, operate, introduce, exploit and sell, assign or otherwise dispose of any and all trademarks, formulae, secret processes, trade names, brands, distinctive marks, copyrights and all inventions, improvements and processes used in connection with or secured under letters patents or otherwise of the United States or any other country.

9. To exercise all the powers enumerated in Section 617, Florida Statutes, as it now exists or is subsequently amended or superseded, and to do and perform such acts and to have such powers as shall be desirable and necessary in furtherance of any of the powers herein above enumerated which are not in derogation of the laws of the State of Florida.

ARTICLE IV- MEMBERS

Section 1. Members. The members of the Foundation shall be the Foundation Board of Directors/Members, who shall be the sole voting members of the Foundation.

Section 2. Other Members. The Bylaws may provide for one or more classes of other members, who shall be admitted in such manner and who shall have the rights and privileges as are set forth in the Bylaws but who shall not have the right to vote.

ARTICLE V- TERM OF EXISTENCE

The Foundation shall have perpetual existence.

ARTICLE VI- MANAGEMENT

Section 1. Board of Directors/Members

All corporate powers and the affairs of the Foundation shall be managed by a Board of Directors/Members who shall serve without compensation. The Board of

Directors/Members shall be composed of not less than fourteen (14) nor more than thirty-one (31) members. Except as otherwise provided herein, their number, qualification, terms of office, and manner of selection shall be fixed in the Bylaws. The quorum required for the conduct of business shall be fixed in the Bylaws.

The Board of Directors/Members shall carry out the purposes of the Foundation in compliance with these Articles of Incorporation and the Foundation's Bylaws.

Section 2. Committees

The Bylaws may provide for such committees as determined by the Board of Directors/Members, including an Executive Committee. The Executive Committee may be authorized to exercise all or part of the powers and authority of the Board of Directors, between meetings of the Board of Directors/Members.

Section 3. Officers

The officers of the Foundation shall be the Chair, Vice Chair, Secretary, and Treasurer. Their manner of their selection shall be set forth in the Bylaws.

Section 4. The names and addresses of the present officers are as follows:

Chair	Joseph Hatchett, Esq. 301 South Bronough Street Suite 200 Tallahassee, Florida 32301
Vice Chair	Alfreda Blackshear, M.D. 1215 Lee Avenue Tallahassee, Florida 32301
Secretary	Betty Hoizendorf 3041 Woodlawn Road Jacksonville, Florida 32209
Treasurer	Daryl Parks, Esq. 240 N. Magnolia Drive Tallahassee, Florida 32301

ARTICLE VII - DISSOLUTION

such organization has ceased to exist, to Florida A&M University, or if such organization has ceased to exist, to such other organization or organizations that are exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code as directed by the Board of Governors of the State of Florida, to be used exclusively for the purposes herein set out, it being intended that no distribution or payment shall be made which will impair or destroy the tax exempt status of donations, contributions, legacies, bequests, or dues received by this Foundation, to the extent that such tax exempt status shall be allowed under any applicable laws or regulations.

ARTICLE VIII - AMENDMENTS

These Articles of Incorporation and Bylaws of the Foundation may be amended at any annual meeting, or at any special meeting called for that purpose, by a two-thirds vote of the members of the Board of Directors in attendance at which a quorum is present and voting throughout.

ARTICLE IX - BYLAWS

Bylaws, not inconsistent with law or these Articles, shall be adopted by the Board of Directors to provide for the administration of the affairs of the Foundation and the exercise of its corporate powers.

ARTICLE X- REGISTERED AGENT

The name and street address of the registered agent is Daryl Parks, Esq., 240 North Magnolia Drive, Tallahassee, Florida 32301.

CERTIFICATE OF ACCEPTANCE AS REGISTERED AGENT

Having been named as the Registered Agent in these Amended and Restated Articles of Incorporation, I hereby accept and agree to act in this capacity.

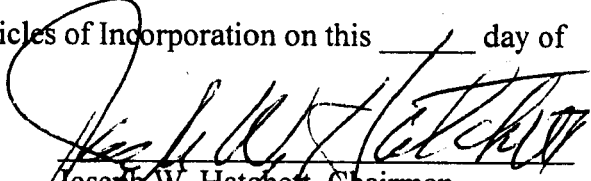
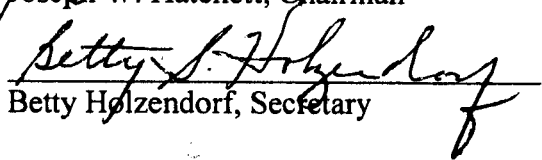
1-17-07

Date



Daryl Parks

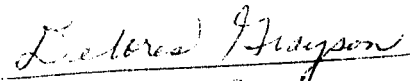
The undersigned, constituting the Chairman and Secretary of the Foundation have executed these Amended and Restated Articles of Incorporation on this _____ day of November, 2006.


Joseph W. Hatchett, Chairman

Betty Holzendorf, Secretary

STATE OF FLORIDA
COUNTY OF Leon

BEFORE ME, the undersigned personally appeared Joseph W. Hatchett, to me well known to the person described as the Chairman of the Foundation, and who executed the foregoing Amended and Restated Articles of Incorporation, and he acknowledged before me that he executed and these Amended and Restated Articles of Incorporation.

Notary Public State of Florida at Large
My commission expires: 4-18-2010
Dated this 17 day of ~~November~~, 2006.
December,


Delores Grayson



Delores Grayson
Commission # DD542047
Expires April 18, 2010
Bonded Troy Fair - Insurance Inc 800-385-7019

STATE OF FLORIDA
COUNTY OF _____

BEFORE ME, the undersigned personally appeared Betty Holzendorf, to me well known to the person described as the Chairman of the Foundation, and who executed the foregoing Amended and Restated Articles of Incorporation, and she acknowledged before me that he executed and these Amended and Restated Articles of Incorporation.

Notary Public State of Florida at Large
My commission expires:
Dated this ____ day of November, 2006.



FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
Board of Trustees Policy

Board of Trustees Policy Number: 2018-01	Date of Adoption: June 7, 2018 Date of Revision: (Formerly IMM 2003-01) June 24, 2003, May 22, 2003, December 8, 2022
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Subject	FAMU Direct Support Organizations
Authority	Sections 1001.706, 1004.06, 1004.28; 1010.09; 1013.171, 1013.78, Florida Statutes; Board of Governors Regulation 9.011; FAMU Regulation Chapter 11
Applicability	FAMU Direct Support Organizations

I. Rescinding of FAMU Internal Management Memorandum No. 2003-01

FAMU Internal Management Memorandum No. 2003-01, FAMU Direct Support Organizations adopted on May 22, 2003 and revised on June 24, 2003 is hereby repealed or rescinded effective at the time of adoption of this policy.

II. Policy Statement and Purpose

To establish uniform criteria for certifying FAMU Direct Support Organizations and uniform policies regarding the operation and oversight of FAMU Direct Support Organizations.

III. Procedures, Approvals/Responsibilities

A. Florida Agricultural and Mechanical University Direct Support Organizations (“DSO” or “organization”) are approved by the University President (the “President”) and the Florida Agricultural and Mechanical University Board of Trustees (the “Board”) for certification. If the President determines that the organization is no longer serving the best interests of the University, the President may request that the Board decertify a DSO. The Board has the authority to request that the President investigate any DSO that is acting inconsistently with the best interests of the University. The request for decertification shall include a plan for disposition of the organization’s assets and liabilities.

B. Certification as a DSO is required if the organization will:

1. Use the property, facilities, personal services, or name of the University; or
2. Receive, hold, invest, or administer assets or property or make expenditures for the benefit of the University.

C. A request for initial and continued certification of a DSO to the Board shall include:

1. The Articles of Incorporation.
2. The Bylaws, which shall describe the operating procedures and specific individual responsibilities of the organizations' boards, committees, and officers as related to the activities of the organization, and shall incorporate this policy and the Board of Trustees' Regulation 11.001 by reference.

D. The Articles of Incorporation and the Bylaws, together, shall:

1. Provide that the organization shall comply with the provisions of Section 1004.28, Florida Statutes.
2. Provide that any person employed by the organization shall not be considered to be a state or public employee of Florida or the University by virtue of employment by the organization.
3. Provide that the chief executive officer, executive director or senior operating officer of the organization shall be selected and appointed by the President, in consultation with the DSO's governing board. The chief executive officer, executive director or senior operating officer of the DSO shall report to the President, and shall not serve as a member of the DSO Board.
4. Provide that the Board shall approve all appointments, including elected board members, to any DSO board.
5. Include or reference the organization's policy and procedures on public access to records and open meetings. The policy shall ensure public access to information in accordance with Section 1004.28(5), Florida Statutes, while also protecting the confidentiality of personal or financial information about donors or prospective donors, in accordance with Section 1004.28(5), Florida Statutes. The policy shall also include the organization's policy and procedures on access to meetings in accordance with Chapter 286, Florida Statutes.
6. Provide that any subsequent amendments to the Articles of Incorporation or Bylaws of the organization shall be approved by the President and the Board, prior to becoming effective.
7. Provide that the President shall have the following powers and duties:
 - a. Monitor and control the use of University resources by the DSO.
 - b. Control the use of the University name by the DSO.
 - c. Monitor compliance of the DSO with state and federal laws and rules of the Board.

- d. Recommend to the Board an annual budget, pursuant to paragraph I.
- e. Review and approve expenditure plans, pursuant to paragraph K.
- f. Approve salary supplements and other compensation or benefits paid to the University faculty and staff from DSO assets and salaries, benefits, and other compensation paid to employees of the DSO, consistent with the Board’s policies provided in paragraph O. The President may designate an individual who shall be a vice president of the University or other senior officer of the University reporting directly to the President to serve in this capacity. Determination of compensation of athletic personnel from DSO assets may be made at the discretion of the President and may not be delegated.
- g. Approve contribution of funds or supplements to support intercollegiate athletics.
- 8. Provide that the organization shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, age, national origin, or any other legally protected group status.
- 9. Provide that personal services must comply with Section 1012.976, Florida Statutes.
- 10. Provide that state funds cannot be used for the organization’s travel expenses.
- 11. Provide that organizations shall comply with University set thresholds for approval of purchases, acquisitions, projects, and issuance of debt by DSOs.
- 12. Prohibit the giving, directly or indirectly, of any gift to a political committee or committee of continuous existence as defined in Section 106.011, Florida Statutes.
- E. The Chair of the Board shall appoint at least one representative to the board of directors and executive committee of the organization, and the President or the President’s designee will serve on the board of directors and executive committee of the organization.
- F. The DSO shall, immediately upon certification by the Board, file with the Department of State as a Florida not-for-profit corporation under the provisions of Chapter 617, Florida Statutes.
- G. The Board shall not transfer any funds to and/or allow any DSO to use the property, facilities, or personal services of the University if the organization violates paragraph D.8.
- H. The DSO shall conduct its financial operations observing a fiscal year ending on June 30 of each year, unless otherwise approved by the Board.

Entity	Year-End	Report Due Date
1. FAMU Foundation, Inc.	June 30	Jan. 1 (following year)
2. FAMU National Alumni		

Association, Inc.	June 30	Jan. 1 (following year)
3. FAMU Rattler Boosters, Inc.	June 30	Jan. 1 (following year)
4. FAMU Research Foundation, Inc.	June 30	Jan. 1 (following year)

I. The DSO shall submit an annual operating budget, which has been approved by the DSO’s governing board and by the President and submitted to the Board for approval. The budget shall be submitted in the format of Attachment A no later than sixty (60) days after the first day of the fiscal year for which the budget pertains.

1. The construction of physical facilities shall be set forth in the budget, including those on leased public property, as authorized and defined in Section 1013.171, Florida Statutes. The construction of facilities, although set forth in the budget, shall be consistent with the system wide strategic plan adopted by the State Board of Education if the project is to be constructed on state land or with state funds and consistent with Section 1013.78, Florida Statutes. Any other construction project shall require notification to the President prior to commencement of construction.

2. Salary supplements, compensation, and benefits provided to the President, to University faculty and to staff, and to employees of the DSO with DSO assets shall be detailed in the budget.

3. A schedule of the names of the organization’s governing board members, their dates of service, and committee membership lists shall be submitted with the budget. The schedule of names shall include a statement signed by the President, or the President’s designee, certifying that the composition of the organization’s governing board is in accordance with its Bylaws. The individuals appointed by the Chair of the Board and by the President shall be clearly identified.

J. A DSO shall have the authority to amend its budget. Budget amendment requests for less than 15%, but not to exceed \$40,000, of the total amount of the annual budget shall require the approval of the President, provided that no budget amendment affecting the President or the President’s compensation, salary or other benefits shall be made without the approval of the Board. Other budget amendment requests shall require the approval of the President and the Board.

K. As required by the President and University Regulations and Policies, the DSO shall prepare and submit to the President, an expenditure plan that separately delineates planned actions which will result in a commitment of University resources or which represent a significant commitment of the resources of the DSO, including but not limited to:

1. Major fund-raising events and campaigns along with their purpose.
2. Compensation and benefits to University employees and employees of the organization.
3. Capital projects including land acquisition, construction, renovation, or repair.

4. Other major commitments of the resources of the DSO as defined by the President.
- L. The DSO shall annually prepare an audit and related financial documents, in accordance with applicable laws and rules, which shall be submitted to the President and to the Audit Committee of the Board for Board review and approval.
1. Each DSO shall cause a financial audit of its accounts and records to be conducted by an independent certified public account, after the close of each fiscal year, in accordance with rules adopted by the Auditor General pursuant to Section 11.45(8), Florida Statutes, and University Regulations and Policies.
 2. The audit report shall be submitted by the President to the Board no later than the end of the sixth month following the close of the organization's fiscal year. The President shall submit the annual audit report to the Auditor General, the State Board of Education, and the Board of Governors no later than nine (9) months after the close of the organization's fiscal year.
- M. Beginning July 1, 2019, and annually thereafter, each DSO shall report to the Board of Trustees the amount of state appropriations transferred to the DSO during the previous fiscal year, the purpose for which the funds were transferred, and the remaining balance of any funds transferred.
- N. The DSO shall submit to the President, the State Board of Education, and the Board of Governors its federal Internal Revenue Service Application for Recognition of Exemption (Form 1023) and its annual federal Internal Revenue Service Return of Organization Exempt from Income Tax (Form 990).
- O. The following policies concerning salary supplements, compensations, and benefits provided to the President, to University faculty and staff, and to employees of the DSO with DSO assets are applicable:
1. Full or part-time employees of DSOs are not state or public employees of Florida and may not participate in State Retirement or other fringe benefits available to employees of the state or public employees.
 2. Any salary supplement provided by a DSO to the President shall be consistent with any applicable state law and rules and approved by the Board.
 3. Salary supplements and other compensation or benefits provided for University employees will be paid using the State of Florida payroll payment process or the University payroll system, and will not be subject to state retirement contributions nor included in salary averaging for the purpose of computing retirement benefits.
 - a. The President or the President's designee shall approve all supplemental compensation to be paid to University employees by DSOs. Determination of

compensation of athletic personnel from DSO assets is to be made at the discretion of the President and may not be delegated.

- b. The list of approved payees shall be provided to the University payroll office for processing as prescribed by the Bureau of State Payrolls or University payroll procedures.
- c. The DSO, in coordination with the appropriate personnel of the University, shall transfer the appropriate funds from the DSO into a State Treasury account for disbursement in accordance with State Comptroller's guidelines. These funds shall be sufficient to pay all federally required employer matching. The appropriate withholding taxes, as dictated by the State Comptroller, will also be applicable.
- d. Prior to increasing the salary or changing the salary source for an individual who receives compensation from a DSO fund source that does not contribute to the Florida Retirement System (FRS) and from a fund source that does contribute to FRS, the University shall request a written analysis from the Division of Retirement, Florida Department of Management Services, or other appropriate state agency, if the proposed change in salary increases the proportion of the total salary that is paid from state funds. This analysis, assessing the potential impact of such action on FRS, shall be provided prior to the President's approval of the change in salary. If the change in salary results in a significant fiscal impact on the FRS, an assessment payable to the FRS may be required.

Attachment(s)	Attachment A-Florida Agricultural and Mechanical University Direct Support Organization Annual Budget and Expenditure Report
Hyperlink Addresses	N/A

ATTACHMENT A

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY DIRECT SUPPORT ORGANIZATION
ANNUAL BUDGET AND EXPENDITURE REPORT**

For Period _____ Through _____

FILL IN EVERY BLANK. USE N/A IF NOT APPLICABLE

I. GENERAL DATA

Name of Direct Support Organization
 Address
 College/School Affiliation (if any)
 Name of Director (if any)
 Telephone Number
 Other Institutions or Agencies Involved
 Identify the following members on the Board of Trustees and Executive Committee:
 Designee of the President, Designee of the Board of Trustees Chairman
 The Board of Directors
 The Executive Council

II. FISCAL DATA

A. Revenues by Source

Source of Funds:	Prior Year:	Revenue Budget:
University		
Federal		
Private		
Sales & Licensing		
Other Revenues		

Totals

B. Operation of the Direct Support Organization

Expenditure Item/Category:	Prior Year:	Expenditures Budget:
Total DSO Operational Expenditures		

Total DSO Operational Expenditures

C. Activities or Program*	Prior Year	Expenditures Budget
Total DSO Univ. Activity Expenditures		

Total DSO Univ. Activity Expenditures

Signature of Senior Operating Officer

GRAND TOTAL OF ALL EXPENDITURES

*The Direct Support Organization's prior year expenditures and current year budget in support of University programs and activities may be summarized on a single line if desired; alternatively, the support of University programs and activities may be specified in considerable detail.

FLORIDA **A&M** UNIVERSITY
Board of Trustees
INFORMATIONAL ITEM

Direct Support Organizations (DSO) Committee
Wednesday, December 4, 2024
Agenda Item: V. A. B.

Subject: Update on Divisional Activities

Background Information and Summary:

Dr. Donald E. Palm, III will provide an update on Divisional activities.

A.) FY 2024-2025 University Advancement Updates

- FY 2024-2025 Fundraising at November 20, 2024
 - \$6,853,310.33 (34.26% of \$20M Goal)

- New Cash
 - \$6,478,305.45 (94.53% of Total & 32.39% of \$20M Goal)

- Pledges & Planned Gifts
 - \$350,004.88 (5.47% of Total & 1.88% of \$20M Goal)

B.) DSO Updates

1. FAMU Foundation, Inc.

- FAMU Foundation Fall 2024 Board of Directors Meeting was held on November 20-23, 2024, in Orlando, FL, in conjunction with the Florida Blue Florida Classic.

- Investment Value - \$171,978,627 as of September 30, 2024, compared to \$162,934,473.87 as of June 30, 2024.

- Endowment Value - \$126,804,942 as of September 30, 2024, compared to \$124,140,598.81 as of June 30, 2024.

- 2023-2024 Financial Statements – Unmodified (Clean) Audit

- We are starting to prepare for our 2025 Operational Audit

- Foundation Bylaws Review/Recommendations

- 2025 Foundation Board Meetings:
 - Spring – May 29-31, 2025 – Frisco, TX (In conjunction with NAA Convention)
 - Fall – November 19-22, 2025 – Orlando, FL (In conjunction with FL Classic)

FLORIDA **A&M** UNIVERSITY
Board of Trustees
INFORMATIONAL ITEM

2. FAMU National Alumni Association (NAA)

- The FAMU NAA is proud to embark upon a new endeavor to collaborate with the FAMU Foundation's Committee on Small Business Engagement at the 2025 National Alumni Convention (May 28 – June 1, 2025) in Frisco, Texas. We have a large contingent of alumni in the corporate arena there and the NAA is eager to assist and support the Foundation committee's initiative, by raising awareness and engaging more of our Rattlerpreneuers in support of our students and FAMU.
- A round of applause for our NAA student liaisons who have proudly supported the university's recruitment mission this fall participating in activities from the DMV in the Northeast region to Middle Georgia to Broward, Hillsborough, Pinellas and Miami-Dade counties between August and November. These recruitment representatives play a pivotal role in assisting our team and university's mission to attract the best and brightest to FAMU.

3. FAMU Rattler Boosters

- Purchased Muscle Milk for Cross Country, Volleyball and Football teams. Year to date over \$15,000.
- Generated a net profit of over \$24,000 in the Fall Kick Off Luncheon and Golf Tournament.
- Purchased tables to the Rattler F Club Hall of Fame banquet.
- Completed our 2023-2024 Sixth Annual audit with no findings.
- Purchased shooting machine for the Women's Basketball.
- Purchased Keiser Leg Press machine for the track programs.
- Reserved Seven tables for the Florida Classic Luncheon.
- Sponsored Two buses to take donors to the Florida Classic game.
- In the Process of Updating the Rattler Booster's By-Laws.
- Rattler Boosters Memberships are; Regular - \$100, Venom - \$300, and Life Members is \$750.