



# **Idaho State University Foundation 2025 Policy Manual**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

Idaho State University Foundation  
Policy Manual

**Acknowledgement**

The policies in this manual were tailored to fit the needs of the Idaho State University Foundation and reference has been made to the Policies of other University Foundations. However, in large part these policies were derived from policy samples provided in *The Nonprofit Policy Sampler, Second Edition* by Barbara Lawrence and Outi Flynn, a publication of BoardSource. BoardSource and the authors have graciously granted permission for non-profits to adapt their sample policies to the needs of their organization.

# Idaho State University Foundation, Inc.

## Policy Manual

*Please note that this table of contents refers to the Policy Manual as a whole and the corresponding page numbers can be located at the top right corner of the manual pages. Individual sections are numbered on the lower right corner and correspond with the Table of Contents located within each section.*

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## Section 1

### Core Organizational Documents

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##### Section 1

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*The following is an unofficial text of the Idaho State University Foundation's Articles of Incorporation as amended. The Original Articles were filed with the Idaho Secretary of State on March 17<sup>th</sup>, 1967 with amendments filed May 13, 1983, June 19, 2006, and October 16, 2019. The official version is available on the Secretary of State's website.*

**ARTICLES OF INCORPORATION  
OF  
IDAHO STATE UNIVERSITY FOUNDATION, INC.**

BE IT KNOWN That We, the undersigned, being natural persons of full age and citizens of the United States, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the general corporation laws of the State of Idaho, and in particular Chapter 11 of Title 30, and the Acts amendatory thereof and supplemental thereto, do hereby associate ourselves, together with such other persons as may associate themselves and their successors, for the purpose in incorporation and do hereby certify as follows:

**ARTICLE I                    NAME**

The name of this corporation is "Idaho State University Foundation, Inc."

**ARTICLE II                    PERIOD OF DURATION**

This corporation shall have perpetual existence.

**ARTICLE III                    PURPOSE**

1. Said organization is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

2. No part of the net earnings of the organization shall inure to the benefit of, or be distributed to, its members, trustees, officers or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.
3. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.
4. Upon the dissolution of the organization, assets and records shall be distributed to the Idaho State Board of Education or Idaho State University for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## **ARTICLE IV** **POWERS**

Subject to the express limitation that the corporation shall not have or possess any power at any time, the effect of which prevents the corporation from qualifying as an exempt organization under paragraph 501 of the Internal Revenue Code of 1954 as it now exists or as it may be amended hereafter or which prevents any gifts, grant, devise or bequest from qualifying as a charitable contribution for Federal Estate Tax purposes or for Federal Income Tax purposes, the corporation shall have and possess the following powers, any or all of which must be exercised exclusively in the furtherance of the purposes for which the corporation exists:

1. To have perpetual succession by its corporate name.
2. To sue and be sued, complain and defend, in its corporate name.
3. To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

4. To purchase, take, receive, lease, take by gifts, devise, or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property or any interest therein wherever situated.
5. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.
6. To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of and otherwise use and deal in and with shares or other interests in or obligations of other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships or individuals or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality, or of any instrumentality thereof.
7. To make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income.
8. To lend money for its corporate purposes, invest and reinvest its funds and take and hold real and personal property as security for the payment of funds so loaned or invested.
9. To conduct its affairs, carry on its operations and have offices and exercise the powers granted by the provisions of Chapter 11, Title 30, Idaho Corporation Code, as that act presently exists or as it may be amended in the future, in any state, territory, district or possession of the United States or in any foreign country.
10. To elect or appoint any committees and any officers or agents of the corporation as the Board of Directors may determine and to define their duties and fix the compensation to be paid to any officer or agent.
11. To make and alter By-Laws not inconsistent with these Articles of Incorporation or with the Laws of the State of Idaho for the administration and regulation of the affairs of the corporation.
12. To make donations for the general welfare of the Idaho State University and for charitable, scientific, literary, and educational purposes incident to the operation of the Idaho State University.

13. To indemnify any director or officer or former director or officer of the corporation or any person who may have served at its request as a director or officer of another corporation whether for profit or not for profit against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty; but such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be otherwise entitled.
14. To cease its corporate activities and surrender its corporate franchise, or to merge with similar non-profit corporations.
15. To have and exercise all powers necessary or convenient to affect any and all of the purposes for which the corporation is organized and exists.
16. To execute trust agreements and accept and administer trust funds relating to the purposes for which the corporation has been organized and exists and not in conflict with the exempt status of the corporation under the Internal Revenue Code,
17. To pay the reasonable and necessary expenses for the operation of the corporation out of the principal or income from gifts, grants, devises or bequests made expressly for that purpose or unrestricted as to their use by the donors or unless expressly provided to the contrary by the agreement controlling the use of such funds, from income received from other gifts, grants, devises or bequests during the period said funds are held by the foundation and are not required for the purposes specified by the donor, granter or testator.
18. Unless otherwise specifically restricted by the donor, grantor, or testator, the corporation shall have and possess the following powers with reference to its investments:
  - i. To receive and accept in kind and to hold and administer as an investment as long as it shall seem to it best, any and all property which may come to it without liability for depreciation or loss through errors of judgment or otherwise.
  - ii. To mingle funds of different gifts for the purpose of investment and reinvestment.

- iii. To acquire, invest, reinvest, exchange, retain, sell or otherwise dispose of stocks, bonds, or other securities in the exercise of the judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence generally exercise in the management of their own affairs, not in regard to speculation but in making investments of their own funds with a view to probable increase of principal as well as safety of their capital and current income. Within the limitations of this standard, the corporation is authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment including specifically, but without limiting the generality of the foregoing, bonds, debentures and other corporate obligations, stocks, preferred or common, and real estate mortgages and to retain any property properly acquired without limitation as to time and without regard to its suitability for original purchase. The corporation shall not be limited or restricted to authorized investments for trustees under the laws of Idaho or any other law as now existing or as hereafter enacted.
- iv. To determine whether money or other property received is principal or income, or partly one and partly the other; and to charge and apportion expenses and losses to principal and income as it may deem just and equitable; to make good any "wasting investment," losses of principal or premiums paid for securities, out of income over such periods of time as it may deem advisable.
- v. To invest and reinvest expendable principal received by the Foundation for specific purposes but not presently required for the purposes specified by the donor, grantor or testator in such investments as the Board of Directors shall determine after taking into account the time when said principal funds will be required and the necessity to preserve said funds without loss of principal and to use or accumulate the net income received therefrom for reasonable expenses or operations of the Foundation, as the Board of Directors shall determine; provided, such expendable principal funds shall be available when required for use for the purposes specified by the donor, grantor or testator.

**ARTICLE V****REGISTERED OFFICE AND AGENT**

The official registered office of the corporation shall be in the Administration Building on the Idaho State University Campus, Pocatello, Idaho. The resident agent of the corporation until otherwise designated by the Board of Directors is Dennis A. Hoiter, address: Campus Box 8050, Idaho State University, Pocatello, Idaho. The Board of Directors from time to time by appropriate resolution shall have the power and authority to change the location of the registered office of the corporation and to change the designation of the resident agent of the corporation.

**ARTICLE VI****THE BOARD OF DIRECTORS**

1. The affairs of the corporation shall be conducted by a Board of Directors of at least three members. The exact number of Directors shall be fixed from time to time by the By-Laws of the corporation. Until otherwise provided by the By-Laws, and until their successors are elected and qualified the Board of Directors shall consist of the following members: Dee Bogert, Member, State Board of Education; Dr. William E. Davis, President Idaho State University; Dr. Donald F. Kline; Frank D. Seelye; William J. Ryan, Jr., Executive Secretary of Alumni Association; Herman J. McDevitt, Attorney; and Charles H. Kegel. In addition, the President of the Foundation and the Treasurer are ex-officio members of the Board.
2. The qualifications of members of the Board, their manner of selection and the voting rights of ex- officio members shall be determined by the By-Laws.
3. The real estate and personal property of the corporation shall be under the complete control of the Board of Directors which is charged with the responsibility of administering and expending said property in accordance with the purposes for which the corporation has been organized and exists and in accordance with the terms and conditions of the gift, grant, devise or bequest under which the corporation has received the property in question, The Board of Directors may appoint an Investment Committee and may also appoint a fiscal agent or agents to handle its investments and financial affairs in such manner as may be determined advisable by the Board.

**ARTICLE VII****ORIGINAL INCORPORATORS**

The names and Post Office addresses of the incorporators, who shall serve as Trustees until their successors are elected and qualified are: Charles H. Kegel; Frank D. Seelye; William J. Ryan; E. A. Bogert, Jr.; Dr. Donald F. Kline; Dr. William E. Davis; Herman J. McDevitt.

## **ARTICLE VIII                    BOARD OF TRUSTEES**

The corporation may have a Board of Trustees which shall be unlimited in number. Members of the Board of Trustee shall serve without compensation and without requirements for duties or responsibilities. The qualifications and method of selection of Trustees shall be determined by the By-Laws.

## **ARTICLE IX                    AMENDMENTS**

These Articles of Incorporation may be amended at any time in the manner and form provided by the Idaho Code as existing at the time of the adoption of these Articles of Incorporation or as provided by any other applicable law but no amendment may be adopted which changes or affects in any way the exempt status of the corporation as an organization existing exclusively for charitable, educational, literary or scientific purposes.

## **CERTIFICATE**

IN WITNESS WHEREOF, the undersigned President and Secretary of the corporation hereby certify and state that these Articles of Incorporation were adopted by the incorporators of the Idaho State University Foundation, Inc. at a special meeting of said incorporators held at the Conference Room; Administration Building, on February 9, 1967, that a quorum was present at such meeting and that these Articles received unanimous approval of the incorporators, and members present at said meeting.

That due notice of said meeting and purposes thereof was given by publication in the Idaho State Journal, a legal newspaper as provided by law. That the Directors & Trustees herein named were elected at such meeting pursuant to such notice.

Signed: William E. Davis, President; Donald F. Kline, Secretary

**1. Purpose of the Policy**

- a. The Board recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the institutions and agencies under its governance. Private support for public education is an accepted and firmly established practice throughout the United States. Tax-exempt foundations are one means of providing this valuable support to help the institutions and agencies under the Board's governance raise money through private contributions. Foundations are separate, legal entities, tax-exempt under Section 501(c) of the United States Internal Revenue Code of 1986, as amended, associated with the institutions and agencies under the Board's governance. Foundations are established for the purpose of raising, receiving, holding, and/or using funds from the private sector for charitable, scientific, cultural, educational, athletic, or related endeavors that support, enrich, and improve the institutions or agencies. The Board wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the Board will cooperate in every way possible with the work and mission of recognized affiliated foundations
- b. The Board recognizes that foundations:
  - i. Provide an opportunity for private individuals and organizations to contribute to the institutions and agencies under the Board's governance with the assurance that the benefits of their gifts supplement, not supplant, state appropriations to the institutions and agencies;
  - ii. Provide assurance to donors that their contributions will be received, distributed, and utilized as requested for specified purposes, to the extent legally permissible, and that donor records will be kept confidential to the extent requested by the donor and as allowed by law;
  - iii. Provide an instrument through which alumni and community leaders can help strengthen the institutions and agencies through participation in the solicitation, management, and distribution of private gifts; and
  - iv. Aid and assist the Board in attaining its approved educational, research, public service, student loan and financial assistance, alumni relations, and financial development program objectives.
- c. The Board, aware of the value of tax-exempt foundations to the well being of the institutions and agencies under the Board's governance, adopts this policy with the following objectives:

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- i. To preserve and encourage the operation of recognized foundations associated with the institutions and agencies under the Board's governance; and
- ii. To ensure that the institutions and agencies under the Board's governance work with their respective affiliated foundations to make certain that business is conducted responsibly and according to applicable laws, rules, regulations, and policies, and that such foundations fulfill their obligations to contributors, to those who benefit from their programs, and to the general public.

2. Institutional Foundations

- a. General Provisions Applicable to all Affiliated Foundations
  - i. All private support of an institution not provided directly to such institution shall be through a Board approved affiliated foundation. While an institution may accept gifts made directly to the institution or directly to the Board, absent unique circumstances making a direct gift to the institution more appropriate, donors shall be requested to make gifts to the Board approved affiliated foundations.
  - ii. Each affiliated foundation shall operate as an Idaho nonprofit corporation that is legally separate from the institution and is recognized as a 501(c)(3) public charity by the Internal Revenue Service. The management and control of a foundation shall rest with its governing board. All correspondence, solicitations, activities, and advertisements concerning a particular foundation shall be clearly discernible as from that foundation, and not the institution.
  - iii. The institutions and foundations are independent entities and neither will be liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members, or staff.
  - iv. It is the responsibility of the foundation to support the institution at all times in a cooperative, ethical, and collaborative manner; to engage in activities in support of the institution; and, where appropriate, to assist in securing resources, to administer assets and property in accordance with donor intent, and to manage its assets and resources.
  - v. Foundation funds shall be kept separate from institution funds. No institutional funds, assets, or liabilities may be transferred directly or indirectly to a foundation without the prior approval of the Board except as provided herein. Funds may be transferred from an institution to a foundation without prior Board approval when:

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- 1) A donor inadvertently directs a contribution to an institution that is intended for the foundation. If an affiliated foundation is the intended recipient of funds made payable to the Board or to an institution, then such funds may be deposited with or transferred to the affiliated foundation, provided that accompanying documents demonstrate that the foundation is the intended recipient. Otherwise, the funds shall be deposited in an institutional account, and Board approval will be required prior to transfer to an affiliated foundation; or
- 2) The institution has gift funds that were transferred from and originated in an affiliated foundation, and the institution wishes to return a portion of funds to the foundation for reinvestment consistent with the original intent of the gift.
- 3) The transfer is of a *de minimis* amount not to exceed \$10,000 from the Institution to the Foundation and the transferred funds are for investment by the Foundation for scholarship or other general Institution/Agency support purposes.
- 4) The transfer is of funds raised by the institution for scholarship or program support and the funds are deposited with the affiliated foundation for investment and distribution in accordance with the purpose for which the funds were raised.

vi. Transactions between an institution and an affiliated foundation shall meet the normal tests for ordinary business transactions, including proper documentation and approvals. Special attention shall be given to avoiding direct or indirect conflicts of interest between the institution and the affiliated foundation and those with whom the foundation does business. Under no circumstances shall an institution employee represent both the institution and foundation in any negotiation, sign for both the institution and foundation in a particular transaction, or direct any other institution employee under their immediate supervision to sign for the related party in a transaction between the institution and the foundation.

vii. Prior to the start of each fiscal year, an affiliated foundation must provide the institution chief executive officer with the foundation's proposed annual budget, as approved by the foundation's governing board.

viii. Each foundation shall conduct its fiscal operations to conform to the institution's fiscal year. Each foundation shall prepare its annual financial statements in accordance with Government Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) principles, as appropriate.

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- ix. Institution chief executive officers shall be invited to attend all meetings of an affiliated foundation's governing board in an advisory role. On a case by case basis, other institution employees may also serve as advisors to an affiliated foundation's governing board, as described in the written foundation operating agreement approved by the Board.
- x. Although foundations are private entities and are not subject to the Idaho Public Records Law, foundations, while protecting personal and private information related to private individuals, are encouraged, to the extent reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or similar non-personal and non-confidential financial or policy information.
- xi. A foundation's enabling documents (e.g., articles of incorporation and bylaws) and any amendments are to be provided to the institution. These documents must include a clause requiring that in the event of the dissolution of a foundation, its assets and records will be distributed to the Board or the affiliated institution. To the extent practicable, the foundation shall provide the institution with an advance copy of any proposed amendments, additions, or deletions to its articles of incorporation or bylaws. The institution shall be responsible for providing all of the foregoing documents to the Board.
- xii. Foundations may not engage in activities that conflict with federal or state laws, rules and regulations; or cause an institution to be in violation of Board policy; or the role and mission of the institutions. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.
- xiii. Fund-raising campaigns and solicitations of major gifts for the benefit of an institution by its affiliated foundation shall be developed cooperatively between the institution and its affiliated foundation. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by an institution, a foundation will obtain the prior approval of the institution chief executive officer or a designee.
- xiv. Foundations shall obtain prior approval in writing from the institution chief executive officer or a designee if gifts, grants, or contracts include a financial or contractual obligation binding upon the institution.
- xv. Foundations shall make clear to prospective donors that:
  - 1) The foundation is a separate legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the institution; and

- 2) Responsibility for the governance of the foundation, including investment of gifts and endowments, resides in the foundation's governing board.

xvi. Institutions shall ensure that foundation controlled resources are not used to acquire or develop real estate or to build facilities for the institution's use without prior Board approval. The institution shall notify the Board, at the earliest possible date, of any proposed purchase of real estate for such purposes, and in such event should ensure that the foundation coordinates its efforts with those of the institution. Such notification to the Board may be through the institution's chief executive officer in executive session pursuant to Idaho Code, Section 74-206(1)(c).

**b. Foundation Operating Agreements**

Each institution shall enter into a written operating agreement with each of its affiliated foundations that ensures compliance with this Policy.

Board approval of affiliated foundation operating agreements is required if an affiliated foundation will receive donations, membership dues, gifts or other funds (collectively "funds") and delivers those funds directly to the institution. If an affiliated foundation will not receive or maintain funds, or if it routes all funds received to the institution through another Board-approved affiliated foundation, Board approval of the operating agreement is not required. In such cases, the institution shall ensure that services provided by a Board approved affiliated foundation to another affiliated foundation are provided pursuant to a service agreement between the affiliated foundations which complies with Board policy, a copy of which is available to the institution and to the Board.

Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. Operating agreements requiring Board approval must be approved by the Board prior to execution and must be re-submitted to the Board for re-approval every three (3) years, or as otherwise requested by the Board. Operating agreements shall follow the operating agreement template approved by the Board and found at <http://boardofed.idaho.gov/>. When an operating agreement is presented to the Board for review, an institution must include a redline to the Board's operating agreement template, as well as a redline to the previously Board approved version of the operating agreement, if there is one.

Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

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- i. Institution Resources and Services.
  - 1) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.
  - 2) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:
    - a) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);
    - b) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;
    - c) Investment, management, insurance, benefits administration, and similar services; and
    - d) Development services, encompassing research, information systems, donor records, communications, and special events.
  - 3) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.
  - 4) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution.

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No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.

**ii. Management and Operation of Foundations.**

- 1) Guidelines for receiving, depositing, disbursing and accounting for all funds, assets, or liabilities of a foundation, including any disbursements/transfers of funds to an institution from an affiliated foundation. Institution officials into whose department or program foundation funds are transferred shall be informed by the foundation of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds.
- 2) Procedures with respect to foundation expenditures and financial transactions, which must ensure that no person with signature authority shall be an institution employee in a key administrative or policy making capacity (including, but not limited to, an institution vice-president or equivalent position).
- 3) The liability insurance coverage the foundation will have in effect to cover its operations and the activities of its directors, officers, and employees.
- 4) Description of the investment policies to be utilized by the foundation, which shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the foundation's governing board. Moreover, such investments must be consistent with the terms of the gift instrument.
- 5) Procedures that will be utilized to ensure that institution and foundation funds are kept separate.
- 6) Detailed description of the organization structure of the foundation, which addresses conflict of interest in management of funds and any foundation data.

**iii. Foundation Relationships with the Institutions**

- 1) The institution's ability to access foundation books and records.
- 2) The process by which the institution chief executive officer, or designee, shall interact with the foundation's board regarding the proposed annual

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operating budget and capital expenditure plan prior to approval by the foundation's governing board.

- 3) Whether, and how, supplemental compensation from the foundation may be made to institutional employees. Any such payments must have prior Board approval, and shall be paid by the foundations to the institutions, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations.

iv. Audits and Reporting Requirements.

- 1) The procedure foundations will utilize for ensuring that regular audits are conducted and reported to the Board. Unless provided for otherwise in the written operating agreement, such audits must be conducted by an independent certified public accountant, who is not a director or officer of the foundation. The independent audit shall be a full scope audit, performed in accordance with generally accepted auditing standards.
- 2) The procedure foundations will use for reporting to the institution chief executive officer the following items:
  - a) Regular financial audit report;
  - b) Annual report of transfers made to the institution, summarized by department;
  - c) Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year;
  - d) A list of foundation officers, directors, and employees;
  - e) A list of institution employees for whom the foundation made payments to the institution for supplemental compensation or any other approved purpose during the fiscal year, and the amount and nature of that payment;
  - f) A list of all state and federal contracts and grants managed by the foundation; and
  - g) An annual report of the foundation's major activities;

- h) An annual report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding foundation fiscal year for the benefit of the institution; and
- i) An annual report of any actual litigation involving the foundation during its fiscal year, as well as legal counsel used by the foundation for any purpose during such year. This report should also discuss any potential or threatened litigation involving the foundation.

v. Conflict of Interest and Code of Ethics and Conduct.

A description of the foundation's conflict of interest policy approved by the foundation's governing board and applicable to all foundation directors, officers, and staff members, and which shall also include a code of ethics and conduct. Such policy must assure that transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, such policy must provide that directors, officers, and staff members of a foundation disqualify themselves from making, participating, or influencing a decision in which they have or would have a financial interest. Finally, such policy must assure that no director, trustee, officer, or staff member of a foundation shall accept from any source any material gift or gratuity in excess of fifty dollars (\$50.00) that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

vi. Affiliated Research Foundations and Technology Transfer Organization for Institutions of Higher Education

The Board wishes to encourage research and technology transfer and the corresponding economic development potential for the state of Idaho. The Board acknowledges that independent, affiliated foundations operating to support an institution's research and technology transfer efforts can be useful tools to provide institutions with avenues for engagement with the private sector as well as with public and private entities interested in funding research, funding technology transfer and promoting spin-off enterprises arising from institutional intellectual property and technology. Such affiliated foundations should operate substantially within the framework for affiliated foundations set out in paragraph 1 and 2 of this policy, with such variances as are reasonable based on the nature of the anticipated function of the specific foundation.

- 1) The institutions under the Board's governance may affiliate with non-profit entities which generally meet the criteria set forth in paragraph 2.b. of this

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policy and which operate for the purpose of supporting the research and technology transfer efforts of one or more of the institutions.

- 2) Research and Technology Transfer Foundation Operating Agreements. The requirement of a foundation operating agreement under paragraph 2.c. of this policy shall also apply to foundations supporting research and technology transfer. Institutions proposing to affiliate with a particular foundation may propose reasonable variances from specific requirements under paragraph 2.c. based upon the anticipated function of the foundation, provided that any such variances are specifically identified by the institution in materials presented to the Board when requesting approval of the foundation.

**3. Foundations for Other Agencies**

Other agencies under the Board's jurisdiction may establish foundations to accept gifts made for the benefit of the agencies' operating purposes. These agencies are subject to the same policies as the institutional foundations. However, agency foundations with annual revenues less than \$100,000 are not required to obtain an independent audit. These agencies must instead submit an annual report to the Board of gifts received and the disposition of such gifts.

**4. Idaho Public Television Foundation**

- a. Foundations that exist for the benefit of Idaho Public Television (IPTV) are required by Federal Communications Commission (FCC) regulations to have specific spending authority designated by the Board. Audits of the IPTV Foundation will be conducted by the State Legislative Auditor.
- b. By action of the Board, the Friends of Idaho Public Television, Inc., has been designated to accept gifts made for the benefit of public television in the state of Idaho. The Foundation will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

**5. Acceptance of Direct Gifts**

Notwithstanding the Board's desire to encourage the solicitation and acceptance of gifts through affiliated foundations, the Board may accept donations of gifts, legacies, and devises (hereinafter "gifts") of real and personal property on behalf of the state of Idaho that are made directly to the Board or to an institution or agency under its governance. Gifts worth more than \$250,000 must be reported to and approved by the executive director of the Board before such gift may be expended or otherwise used by the institution or agency. Gifts worth more than \$500,000 must be approved

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by the Board. The chief executive officer of any institution or agency is authorized to receive, on behalf of the Board, gifts that do not require prior approval by the executive director or the Board and that are of a routine nature. This provision does not apply to transfers of gifts to an institution or agency from an affiliated foundation (such transfers shall be in accordance with the written operating agreement between the institution or agency and an affiliated foundation, as described more fully herein).

## **Idaho State University Foundation**

### **Section 1.03 – Amended and Restated Bylaws – as amended through October 11, 2019**

#### **Article 1      Purpose and Duration of the Foundation**

The Idaho State University Foundation, Inc., an Idaho nonprofit corporation (the “Foundation”) exists for the purpose of soliciting, securing and managing various sources of funding to promote the growth and operations of Idaho State University in the furtherance of the University’s goals to provide a meaningful and valued educational experience for its students. The Foundation shall have no termination date and shall exist in perpetuity.

#### **Article 2      Offices**

##### **Section 2.01 Principal Office**

The principal office of the Foundation shall be located at the administrative building on the Idaho State University Campus. The Foundation may have such other offices as the Board of Directors (the “Board”) may designate or as the business of the Foundation may require from time to time.

##### **Section 2.02 Registered Office**

The registered office of the Foundation to be maintained in the state of Idaho shall be located at the principal office of the Foundation, and may be changed from time to time by the Board.

#### **Article 3      Board of Directors**

##### **Section 3.01 General Powers and Standard of Care**

All corporate powers shall be exercised by or under authority of, and the business and affairs of the Foundation shall be managed under the direction of, the Board except as may be otherwise provided in the Idaho Nonprofit Corporation Act (the “Act”) or the Articles of Incorporation (the “Articles”). If any such provision is made in the Articles, the powers and duties conferred or imposed upon the Board by the Act shall be exercised or performed to such extent and by such person or persons as shall be provided in the Articles.

A Director shall perform such Director's duties as a Director, including such Director's duties as a member of any committee of the Board upon which such Director may serve, in good faith, in a manner such Director reasonably believes to be in the best interests of the Foundation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing such Director's duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One (1) or more officers or employees of the Foundation whom the director reasonably believes to be reliable and competent in the matters presented;

- b. Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or
- c. A committee of the Board upon which such director does not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence, but such director shall not be considered to be acting in good faith if such director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs such duties shall have no liability by reason of being or having been a director of the Foundation.

### Section 3.02 Composition and Term

There shall be a Board of Directors of the Foundation consisting of no more than twenty-five (25) voting directors. Directors shall be elected by the Board for a term of three (3) years and shall not serve more than three (3) consecutive terms, unless elected Board Past Chair ("PCoB"), Chair ("COB") or Vice Chair ("VC") of the Foundation. The term of the director elected VC shall be extended an additional one year after the completion of service as PCoB and Chair, unless the maximum of three terms has not been reached, in which case he or she will serve the remainder of his or her three terms. After the maximum of three (3) terms on the Board, an outgoing director shall automatically move into Emeritus Director status and may be re-elected to the Board after a term of absence from the Board of at least one (1) year.

The Board of Directors, by a majority vote, shall be authorized to designate a limited number of its members as Lifetime Board members. The eligibility, method of designation, privileges, duties and responsibilities of Lifetime Board Members are described in Section 3.01.03 of the Board's policies.

### Section 3.03 Method of Selection

Nomination to the Board may be made by any member of the Board, any ex officio members of the Board or any Emeritus Director. Nominations should be submitted in writing to a member of the Nominating Committee of the Board. The Nominating Committee will review the nominees and present a slate of potential nominees to the Board for election when vacancies occur on the Board.

### Section 3.04 Qualifications

Any person of good moral character having a genuine interest in the objectives of the Foundation may be qualified as a member of the Board without regard to his or her place of residence, whether he or she has attended Idaho State University or any other similar factor.

### Section 3.05 Ex Officio Membership

The following shall be ex officio members of the Board of this Foundation:

- a. The President of Idaho State University;
- b. The Vice President for University Advancement at Idaho State University ("Executive Vice President");

- c. The Secretary of the Foundation;
- d. The Treasurer of the Foundation;
- e. The President of the Idaho State University Alumni Association;
- f. Legal Counsel for the Foundation;
- g. An ISU Faculty Member periodically appointed or elected by the ISU Faculty Senate to perform an active role in fund-raising for the University; and
- h. The President of the Bengal Athletic Boosters, Inc.;
- i. Unless they are also current voting directors, ex officio members of the Board shall not vote on matters being considered by the Board.

### Section 3.06 Meetings of the Board of Directors

The Board shall meet semi-annually and at such other times as meetings may be called. The PCoB, Chair, VC, or the EVP shall have the right to call any meeting of the Board at any time and place by giving no less than five (5) days' notice to the Board of the time and place of such meeting.

- a. Any Board action to remove a director shall require no less than seven (7) days written notice to each director that the matter will be voted on at a Board meeting. Such notice shall also include the time and place of such meeting.
- b. A director may, at any time before, during or after a Board meeting, waive any notice required by law, the Articles, or these Bylaws. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or Foundation records.

A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law, the Articles, or these Bylaws objects to lack of notice and does not thereafter vote for or assent to the objected action.

- c. A majority of the voting membership of the Board shall constitute a quorum at any meeting and, unless otherwise provided by law or by the Articles, action of the Board shall be controlled by majority action of the voting directors present at any meeting at which a quorum is present.
- d. The Board shall keep a record of its proceedings and shall make a detailed report available to the directors, the officers, including ex officio officers of the Foundation, and Emeritus Directors.

### Section 3.07 Committees of the Board of Directors

The Foundation Board shall have the right to create any number of standing committees to assist in accomplishing the duties and responsibilities of the Foundation. Standing committees shall include the following: Executive, Governance, Audit, Finance, Investment, Development and Nominating. The responsibilities of standing committees, and other details concerning standing committees, are described in Section 9.00 of the Policy Manual.

The Board shall have the right to create ad hoc committees from time to time to assist in accomplishing the duties and the responsibilities of the Foundation. Other details concerning ad hoc committees are described in Section 9.08 of the Policy Manual.

Membership on any committee need not be limited to members of the Board or Board Emeritus Directors. All committee members shall be subject to Foundation policies and in particular, policies and practices concerning conflicts of interest and confidentiality.

#### Section 3.08 Vacancies

Any vacancy occurring on the Board and any directorship to be filled by reason of any increase in the number of directors shall be filled by the Board based on nominations received from the Nominating Committee. The term of any directorship arising due to vacancy or increase in the number of directors shall be three (3) years and shall be subject to the term limits described in Section 3.02 above.

#### Section 3.09 Removal of Directors

- a. Removal for Cause. Any director may be removed from office for cause by a two-thirds (2/3) majority vote of the total directors then in office.
- b. Removal for Unexcused Absences. A director may be removed from office after two (2) unexcused absences of any Board meeting within any twelve-month period, provided that a majority of the total directors then in office vote for such removal.

#### Section 3.10 Informal Action

Any action required to be taken at a meeting of the Board of directors may be taken without a meeting, if all the members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

#### Section 3.11 Open Meetings

The Board shall conduct its business meetings in open sessions whenever possible. However, the Board may meet in executive session in those circumstances where the Board is discussing or acting upon strategy with respect to litigation; discussing the purchase or sale of real property; interviewing prospective Foundation employees; or considering the evaluation, dismissal or disciplining of, or hearing complaints or charges brought against, a Foundation employee or staff member or on any matter which the Board feels must be dealt with in a confidential manner.

All board meetings shall be subject to Foundation Policy 2.05 with respect to confidentiality.

#### Section 3.12 Records

Although the Foundation is a private entity and is not subject to the Idaho Public Records Law, the Foundation, while protecting personal and private information related to private individuals, will, to the extent reasonable, be open to public inquiries related to revenue,

expenditure policies, investment performance and/or similar non-personal and non-confidential financial or policy information.

#### **Section 3.13 Director Conflicts of Interest**

All members of the Board shall comply with all provisions of the Conflict of Interest Policy as set forth in Section 2.04 of the Policy Manual.

#### **Section 3.14 Loans to Directors**

The Foundation shall not lend money to or guarantee the obligation of a director.

### **Article 4 Emeritus Directors**

The Foundation shall have honorary Emeritus Directors to provide advisory services to the Foundation. Directors who have completed three (3) terms on the Board will automatically be eligible to serve as an Emeritus Director, unless they decline to do so. Emeritus Directors shall be unlimited in number and shall serve until resignation or until removal by a majority vote of the Board. Emeritus Directors may attend all regular meetings of the Board, and committee meetings, though they shall not be required to attend. Emeritus Directors may not vote on matters being considered by the Board or matters being considered by a committee.

At the discretion of the Board of Directors a Director who has not served a full 9 years on the Board may be named an Emeritus Director.

### **Article 5 Officers**

#### **Section 5.01 Designation and Method of Selection**

Officers of the Foundation shall consist of the Board Past Chair ("PCoB"), Chair ("COB"), Vice Chair ("VC", Executive Vice President ("EVP"), Secretary and Treasurer. Except as otherwise provided herein, the officers shall be elected by the Board and, other than the PCoB, COB and VC, shall serve at the pleasure of the Board or until their respective successors are duly elected and qualified. The term of the PCoB and of the COB shall be two years each. The term of the VC shall be one year and shall begin one year before the end of the COB's term. The VC will automatically assume the role of Chair at the end of the term of the previous Chair. The Chair will automatically assume the role of PCoB at the end of the term of the previous PCoB. Persons elected as Secretary or Treasurer shall be then current members of either the Board or Emeritus Directors. They serve a term of three years, and may serve additional three year terms after going through the nominating process at the end of each term. Any vacancies in any office shall be filled by the Board at any regular or special meeting of the Board from nominees provided by the nominating committee. The terms of officers as described herein may be increased or decreased by majority vote of the Board members present at the meeting at which such increase or decrease is voted on, provided a quorum is present.

#### **Section 5.02 Duties of the Officers**

The duties and responsibilities of the various officers are described in Section 3.00 of the Board's policies.

It is not expected that any officer, other than the EVP, shall devote his or her full time to the affairs of the Foundation or the University unless otherwise directed by the Board at the time of his or her election and with his or her consent.

#### Section 5.03 Removal

Any officer elected or appointed by the Board may be removed by an affirmative vote of two-thirds (2/3) of the total Board whenever, in its judgment, the best interest of the Foundation would be served thereby.

#### Section 5.04 Officer Conflict of Interest

All officers shall comply with all provisions of the Conflict of Interest Policy as set forth in Section 2.04 of the Board's policies.

#### Section 5.05 Loans to Officers

The Foundation shall not lend money to or guarantee the obligation of an officer.

### **Article 6                   Miscellaneous**

#### Section 6.01 Indemnification

The Foundation shall indemnify any director, officer or former director or officer of the Foundation against expenses actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been a director or officer, except in relation to matters as to which he or she is adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct in the performance of duty to the Foundation.

#### Section 6.02 Investment

Any funds of the Foundation which are not needed currently for the activities of the Foundation may, at the discretion of the Board, be invested in such investments as are permitted by law.

#### Section 6.03 Depositories

All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, savings and loan associations, trust companies, or other depositories as the Board may elect.

#### Section 6.04 Contracts

The Board may authorize any officer(s) or agent(s) of the Foundation, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

**Section 6.05 Checks, Drafts, Etc.**

All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Foundation shall be signed by such persons and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instrument shall be signed by the Treasurer.

**Section 6.06 Fiscal Year**

The fiscal year of the Foundation shall end on the last day of June of each year.

**Section 6.07 Books and Records**

The Foundation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board, and committees having any of the authority of the Board, and shall keep a record giving the name and address of the members entitled to vote.

**Section 6.08 Nondiscrimination**

This Foundation is an equal opportunity employer and shall make available its services without regard to race, creed, age, sex, color, ancestry, or national origin.

**Section 6.09 Political Activity**

The Foundation shall not, in any way, use corporate funds in the furtherance of, nor engage in, any political activity for or against any candidate for public office. However, this Bylaw shall not be construed to limit the right of any official or member of this Foundation to appear before any legislative committee, to testify as to matters involving the Foundation.

**Section 6.10 Gifts**

The Board may accept, on behalf of the Foundation, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Foundation.

**Section 6.11 Parliamentary Procedure**

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Foundation in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Foundation Board may adopt.

**Section 6.12 Staff Conflict of Interest**

All staff members shall comply with all provisions of the Conflict of Interest Policy as set forth in Section 2.04 of the Policy Manual.

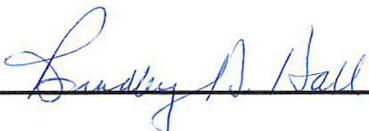
**Article 7 Amendments**

These Bylaws may be amended by an affirmative vote of a majority of the voting directors present at any regular meeting of the Board or at a special meeting called for the specific purpose of amending such Bylaws. Notice of any proposed amendment shall be mailed by United States mail or by electronic mail to each director and to each person entitled to notice of Board meetings at his or her last known address not less than ten (10) days preceding the meeting at which such amendment will be submitted to a vote. This meeting may be conducted in person, by telephone, or by electronic mail. A quorum of the Board must participate.

The Secretary is authorized to correct clerical errors and make conforming changes in the Foundation's Bylaws (including making sure numerical protocol within the Bylaws is followed) without the need for further approval from the Board, as long as the corrections do not change the meaning or constitute a substantive change.

### **Secretary's Certification**

This is to certify that the foregoing Bylaws of the Idaho State University Foundation have been duly adopted by the Board of Directors and contain all amendments made through the October 11, 2019 Board of Director's meeting.

A handwritten signature in blue ink that reads "Bradley A. Hall".

1-8-2020

**Brad Hall**

**Date**

**Secretary, ISU Foundation Board of Directors**

# **Investment Policy Statement**

**Idaho State University Foundation, Inc.**

**921 South 8<sup>th</sup> Ave., Stop 8050**

**Pocatello, ID 83209-8050**

**Date: March 2023**

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## **PURPOSE**

This Investment Policy Statement (IPS) sets forth the standards and guidelines governing the investment and management of the Foundation's financial assets in compliance with donor restrictions, the Foundation's governing policies and procedures, and state and federal laws and regulations including, but not limited to, the Uniform Prudent Investors Act and the Uniform Management of Institutional Funds Act.

This document defines the responsibilities of the Foundation Board of Directors (Board), the Investment Committee (Committee), and any other parties involved in managing the Foundation's investments. It identifies or provides permissible investments, target asset allocations, and diversification requirements.

The Committee has arrived at this IPS through careful study of the returns and risks associated with various investment strategies, the current and projected financial obligations of the Foundation and growth goals after consulting with an outside OCIO (as defined below) as it deemed appropriate. This IPS has been chosen as the most appropriate policy for documenting the financial objectives of the Foundation, which are described in the "Statement of Objectives" section of this document; however, the Committee shall be free to deviate from this IPS when it concludes that it is prudent and in the interest of the Foundation to do so and may amend the IPS at any time. The Committee has full discretionary authority for and is entitled to deference in its interpretation of this IPS.

The Committee has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

It is not expected that the IPS will change frequently.

### ***Fiduciary Duty***

The assets of the Foundation will be invested in accordance with all applicable laws. The Committee will perform its duties in a manner consistent with fiduciary standards. Specifically:

- Duty of care
- Duty of loyalty
- Duty of obedience
- Duty to diversify investments

### ***Conflict of Interest***

If any member of the Committee has, or appears to have, a conflict of interest that impairs or appears to impair the respective individual's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties, he or she shall disclose such conflicts and may be required to refrain from participating in specific decisions.

## **DUTIES AND RESPONSIBILITIES**

The Committee is responsible for managing the investment process in a prudent manner. In carrying out these duties, the Committee has retained an OCIO, as further discussed below, to assist in managing the assets of the Foundation as set forth in an Investment Management Agreement (the “IMA”). The OCIO’s role is set forth in the IMA and may include the provision of guidance to the Committee on matters pertaining to the investment of Foundation assets including the creation of the IPS, investment selection, monitoring of performance and compliance with the IPS. All decisions pertaining to the IPS and guidelines for its implementation will be made by the Committee. The OCIO has been engaged to have authority and responsibility to select appropriate investments in the specific asset classes mandated by this IPS, in accordance with (and subject to) the terms of the IMA.

### ***Board of Directors***

The Board has the ultimate fiduciary responsibility for the prudent and effective investment of the assets of the Foundation. The Board has delegated responsibility for the investment management process to the Committee as indicated in Policy Section 5.04 of the Foundation’s Policy Manual (Investments), with the requirement the Committee update the Board annually on investment activities and performance. The Board sets the annual spending policy after receiving input from the Committee.

### ***Investment Committee***

The Committee shall perform the functions of an investment fiduciary responsible for the prudent management of the Foundation’s investments. The Committee has the authority to establish all investment policy statements for the Foundation’s investments, as delegated by the Board in Policy Section 5 – Investments and Policy Section 9.05 – Investment Committee.

A Committee member shall act in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the member reasonably believes to be in the best interests of the Foundation. In discharging Committee duties, a Committee member shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by the Foundation officers or employees whom the member reasonably believes are reliable and competent in the matters presented, including from legal counsel, investment consultants, OCIOs, advisors, public accountants or other persons as to matters the member reasonably believes are within the person’s professional or expert competence or a committee of the Board of which the committee member is not a member if the member reasonably believes the committee merits confidence.

A member who meets the foregoing standards shall be presumed to have discharged his or her duties as a Committee member.

### ***Outsourced Chief Investment Officer (OCIO)***

The Committee may retain an OCIO to assist the Committee in establishing the IPS, including guidelines contained therein.

In accordance with the terms of the IMA, the OCIO may be responsible for managing the asset allocation, determining investment strategy, implementing through permissible investment vehicles, including rebalancing where appropriate. The OCIO may also be responsible for monitoring asset allocation across and among asset classes and provide timely reporting to the Committee. The specific responsibilities of the OCIO are listed in Policy Section 9.05.03.

### ***Custodian***

The Custodian(s) has possession of securities for safekeeping, for settlement of trades, and for the collection of income. In addition, the Custodian(s) is responsible for processing all cash flows and providing comprehensive monthly statements.

### ***Governance Matrix***

	<b>Set and approve investment and spending policy</b>	<b>Asset allocation guidelines</b>	<b>Investment strategy</b>	<b>Evaluate/ select investment managers</b>	<b>Portfolio rebalancing</b>	<b>Monitor ongoing activities and reports performance</b>	<b>Portfolio holdings</b>	<b>Committee education/ Asset allocation studies</b>	<b>Fiduciary responsibility</b>
ISUF, Inc. Board of Directors	Decides	Delegates				Delegates			Yes (ultimate)
Investment Committee		Implements	Approves	Recommends	Sets ranges	Oversees			Yes
SEI as OCIO*		Advises	Implements	Researches/ Selects	Implements	Assists/ Provides	Decides/ Monitors	Provides	Yes*
SEI as Custodian						Safeguards			No

\*Outsourced provider assumes fiduciary responsibility and performs all of the functions of the investment manager(s), investment consultants and custodian. Only a fiduciary with respect to the investment manager selection (where delegated the responsibility) and possibly co-fiduciary if given discretion over asset allocation.

## STATEMENT OF OBJECTIVES

Spending Policy - The spending policy is set by the Board to:

- Support the Foundation's mission
- Safeguard the funds for future generations
- Enable the maximum amount of spending that can be maintained over the long term
- Ensure spending is financially sustainable
- Ensure the stated wishes of donors are honored
- Support annual operating expenses of the Foundation

It is the current policy of the Foundation to annually distribute up to 4.0% of the average market value of the Endowment Pool and other Investment Earnings, as defined in the Spending Policy, over a rolling 12 quarter (three year) period. It shall be the responsibility of the Board to periodically review the spending policy against actual returns, with relevant input from the Committee and OCIO, to make any necessary adjustments.

## INVESTMENT CATEGORIES

This IPS governs the investment of distinct groups of funds: the endowment account, the enhanced liquidity account, the split-interest account, the holding account, and miscellaneous other investments. Because each group of investments has a different objective, this document addresses them separately.

The Foundation's primary investment objective is to support the mission and operations of Idaho State University and to preserve and protect Foundation assets by earning a total return for each category of assets which is appropriate for each category's time horizon, distribution requirements, and risk tolerance.

### ENDOWMENT ACCOUNT

#### *Objectives*

The primary objective is to preserve and augment the long-term purchasing power of the investments after withdrawals are taken. A secondary objective is to provide a continuing and stable funding source to support Board-directed spending to support the current and future mission of the Foundation. The objectives for the endowment account have been established in conjunction with a comprehensive review of the current and projected requirements.

With its endowment management practices, the Foundation seeks to:

1. Support and augment Idaho State University's programs by responsible stewardship of the money donated to the endowment funds and for Board-directed spending.
2. Promote growth of the endowment to realize the greatest return on the endowment assets. Growth is expected to occur through positive net returns, building reserves and attracting new donors because of responsible management of the assets.

3. Achieve on average, over a full market cycle, the hurdle rate (net of investment management fees) or higher as it relates to annualized endowment performance. The hurdle rate is the aggregate of:
  - Spending rate (currently 4%)
  - Administrative fee (currently 1.5%)
  - Inflation rate (CPI; variable; approximately 2.5%)
4. Exceed, over a full market cycle, the average return (net of investment management fees) of appropriate indexes weighted by asset allocation target percentages. This total portfolio benchmark is viewable on the monthly performance statement for the endowment provided by the OCIO; this benchmark can change throughout time as the asset mix changes.
5. Exceed, over a full market cycle, appropriate index returns in each asset class.

Due to the nature of the financial markets, there can be no assurance these objectives will be met. The Committee also realizes and agrees that historical performance is no guarantee of future performance.

#### ***Asset Allocation Targets***

The asset allocation will likely be the key determinant of the Foundation's returns over the long-term. Therefore, the Foundation will be diversified across multiple markets that are not similarly affected by economic, political, or social developments. A globally diversified portfolio with uncorrelated returns from various assets should reduce the variability of returns across time.

Because of the importance of asset allocation in meeting the Foundation's long-term return objectives, it will be reviewed at least annually by the Committee. The long-term target asset allocation for the Foundation is expressed in the IMA.

	<u>Minimum %</u>	<u>Target %</u>	<u>Maximum %</u>
Growth Strategies	75%	80%	90%
Risk Reduction Strategies	5%	10%	15%
Inflation Protection Strategies	5%	10%	15%

Within each asset class, assets will be invested in accordance with the guidelines set out below.

#### **Strategy Descriptions**

***Growth Strategies:*** Investments that seek to provide equity-like, long-term capital appreciation while potentially recognizing substantial fluctuations in year-to-year performance. Examples include equities, higher yielding fixed income instruments, private equity, long biased hedge funds and opportunistic strategies. Certain Growth Strategies also feature Risk Reduction characteristics (High Yield, Emerging Markets Debt) or Inflation Protection characteristics (Private Assets, Real Estate)

*Risk Reduction Strategies:* Investments that seek to provide stability and reduce volatility. Examples include fixed income and non-directional hedge funds.

*Inflation Protection Strategies:* Investments that seek to provide a diversified inflation hedge and yield. Examples include public and private real asset and real estate strategies as well as Treasury Inflation-Protected Securities (“TIPS”).

*Cash Equivalent Reserves:* The Foundation may temporarily hold cash in anticipation of upcoming transaction activity.

In accordance with the terms of the IMA, the OCIO may be delegated the discretion with respect to the investments utilized by the OCIO to implement the Portfolio’s strategy.

#### ***Adherence to Policy Targets and Rebalancing***

The asset allocation established by this Investment Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. These divergences should be of a short-term nature.

To ensure divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized in accordance with the IMA and implemented by the Investment Manager.

#### ***Investment Securities, Strategies and Diversification***

As described in the IMA, the OCIO implements the asset allocation through pooled investment vehicles, including mutual fund products, separately managed accounts, and/or other alternative fund products. Consistent with the desire for adequate diversification, this Investment Policy Statement assumes the volatility of the combined equity investment will be similar or less than that of the market opportunity available to institutional investors with similar return objectives or risk appetite. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

### **SPLIT INTEREST ACCOUNT**

#### ***Objectives***

From time to time the Foundation enters into charitable remainder annuity trust agreements with its donors (Split Interest Agreements). It is the Foundation’s practice to invest assets related to the individual trusts into investment accounts designed to generate sufficient income to pay related obligations until termination of the individual trusts. Consequently, this Account’s investment timeline objectives align with expected time frames such trusts will exist.

#### ***Investment Allocation***

The Split Interest Account’s investment allocation guidelines are as follows:

	<u>Minimum %</u>	<u>Target %</u>	<u>Maximum %</u>
Growth Strategies	50%	55%	60%

Risk Reduction Strategies	30%	35%	40%
Inflation Protection Strategies	5%	10%	15%

Within each asset class, assets will be invested in accordance with the guidelines set out below.

#### Strategy Descriptions

*Growth Strategies:* Investments with daily liquidity that seek to provide equity-like, long-term capital appreciation while potentially recognizing substantial fluctuations in year-to-year performance. Examples include equities, higher yielding fixed income instruments and opportunistic strategies. Certain Growth Strategies also feature Risk Reduction characteristics (High Yield, Emerging Markets Debt).

*Risk Reduction Strategies:* Investments that seek to provide stability and reduce volatility. Examples include investment grade fixed income.

*Inflation Protection Strategies:* Investments that seek to provide a diversified inflation hedge and yield. Examples include commodities, inflation-sensitive equities, and Treasury Inflation- Protected Securities ("TIPS").

In accordance with the terms of the IMA, the OCIO may be delegated the discretion with respect to the investments utilized by the OCIO to implement the Portfolio's strategy.

#### ENHANCED LIQUIDITY ACCOUNT

##### **Objectives**

These funds are expected to be called by the University or used for Foundation operations within a three-year time frame (e.g., funding of certain University construction projects) but could be needed at any time. The primary objective of the portfolio is liquidity. The secondary objective is income with capital preservation. The portfolio will invest in US government and corporate securities. As such, the process is conservative in nature seeking to provide liquidity on demand without putting undo risk on the primary objective of the portfolio.

##### **Investment Allocation**

The key to strong portfolio management is effectively employing approved credits in the most optimal combination of product type and maturity tenor to build a portfolio that not only provides sound liquidity, but also returns an appropriate yield within the confines of very limited risk-taking. To maximize the investment revenues, these funds may be invested in securities or other investment vehicles assuming a level of risk and commensurate return are less than the endowment pool, but more than the short-term cash pool. The level of risk taken should minimize but not eliminate the risk that the value of the investments is less than the original value when the funds are called by the University or needed for Foundation operations.

Portfolio will include investments such as:

- US government securities will carry a maximum final stated maturity of 5 years.

- Corporate securities will carry a maximum final stated maturity of one year.
- Positions are limited to a maximum of 5% per issuer for investments that exceed seven days. Calculations are at the time of purchase and excluding U.S. Government Securities.
- Positions are limited to a maximum or 10% per issuer for investments that mature within seven days. Calculations are at the time of purchase and excluding U.S. Government Securities.

Approved Non-Government asset classes include:

*Certificates of Deposit:*

- Domestic, Yankee, Euro CDs
- Approved A-1+/P-1 and A-1/P-1 rated banks

*Commercial Paper / Corporate Debt:*

- Approved A-1+/P-1 and A-1/P-1 Commercial Paper Credits
- Minimum single A S&P rating for Corporate Debt
- No Asset Backed Commercial Paper will be purchased
- No Structured products

*Floating Rate Notes:*

- Interest rate risk is mitigated by the floating coupon.
- The frequency of reset serves as a useful tool in optimizing yield while defensively positioning against interest rate risk.

**HOLDING ACCOUNT**

***Objectives***

The Foundation holds funds that are intended for short-term investment separate from the endowment pool. These funds are expected to be called by the University or used for Foundation operations within a 0–6 month time frame. The primary objective of the portfolio is liquidity. The secondary objective is capital preservation. The portfolio will invest in US government, agency, and corporate securities. As such, the process is conservative in nature seeking to provide liquidity on demand without putting undue risk on the primary objective of the portfolio.

***Investment Allocation***

To maximize the investment revenues, these funds may be invested in securities or other investment vehicles assuming a level of risk and commensurate return less than the endowment or medium-term cash pools, but more than would be earned if carried as cash. The level of risk taken should eliminate or nearly eliminate the risk that the value of the investments is less than the original value when the funds are called by the University or needed by the Foundation. Portfolio will include investments such as:

- Positions are limited to a maximum of 5% per issuer for investments that exceed 7 days excluding Cash, Money Market Sweep Vehicles and U.S. Government and Agency Securities. Calculations are at the time of purchase.
- Positions are limited to a maximum or 10% per issuer for investments that mature within 7 days and excluding Cash, Money Market Sweep Vehicles and U.S. Government and Agency Securities. Calculations are at the time of purchase.

Approved Asset Classes include Cash and Money Market Sweep Vehicles, US Government and Agency Debt Obligations, Certificates of Deposit, Time Deposits, and Commercial Paper / Corporate Debt. Commercial Paper / Corporate debt must be rated A-1+/P-1 and A-1/P-1 with a minimum investment grade rating by 2 rating agencies.

#### **OTHER INVESTMENTS**

From time to time, the Foundation may hold other investments that are not appropriately included in any other category. These investments may include certificates of deposits, gifts of securities intended for immediate liquidation and interests in partnerships, joint ventures or limited liability companies that have been donated to or purchased by the Foundation.

### **CONTROL PROCEDURES**

#### ***Review of Assumptions***

All major assumptions regarding spending policy, budget projections, capital market returns, and liquidity needs are subject to an annual review by the Committee. This review will focus on the Foundation's ongoing ability to tolerate downturns in asset values, changes to liquidity, income or rate or return objectives, and any changes in the Foundation's priorities or spending policy.

It is not expected the IPS will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the IPS.

#### ***Review of OCIO and Investments***

- The Committee will review investment performance at least annually and will seek reports from the OCIO on a periodic basis, focusing on adherence to the IPS and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.
- Appropriateness of asset allocation and progress toward goals.
- Comparison of long-term investment results to appropriate benchmarks, as well as market index returns.

**ADOPTION OF INVESTMENT POLICY STATEMENT**

*The Idaho State University Foundation, Inc. Board of Directors has reviewed, approved, and adopted this Investment Policy Statement, dated March 2023, prepared with the assistance of SEI Investments Management Corporation.*

**OPERATING AGREEMENT  
BETWEEN  
IDAHO STATE UNIVERSITY FOUNDATION, INC.  
AND  
IDAHO STATE UNIVERSITY**

This Operating Agreement (“Operating Agreement”) between Idaho State University Foundation, Inc. (“Foundation”) and Idaho State University (“University”) is entered into as of this 21st day of August, 2024.

WHEREAS, the Foundation was organized and incorporated in 1967 for the purpose of generating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of the University.

WHEREAS, the Foundation exists to raise and manage private resources supporting the mission and priorities of the University, and provide opportunities for students and a degree of University excellence unavailable with state funding levels.

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

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

WHEREAS, in connection with its fund-raising and asset-management activities, the Foundation utilizes, in accordance with this Operating Agreement, personnel experienced in planning for and managing private support.

WHEREAS, the mission of the Foundation is to secure, manage and distribute private contributions and support the growth and development of the University.

WHEREAS, the University and Foundation desire to set forth in writing various aspects of their relationship with respect to matters such as the solicitation, receipt, management, transfer and expenditure of funds.

WHEREAS, the Parties hereby acknowledge that they will at all times conform to and abide by the Idaho State Board of Education’s Governing Policies and Procedures, Gifts and Affiliated

Foundations Policy V.E., and that they will submit this Operating Agreement for initial State Board of Education (“State Board”) approval, and thereafter every three (3) years, or as otherwise requested by the State Board, for review and re-approval.

WHEREAS, the Foundation and the University intend for this Operating Agreement to be the written operating agreement required by State Board Policy V.E.2.b.

NOW THEREFORE, in consideration of the mutual commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

## **ARTICLE I** **Foundation's Purposes**

The Foundation is the primary affiliated foundation responsible for securing, managing and distributing private support for the University. Accordingly, to the extent consistent with the Foundation's Articles of Incorporation and Bylaws, and the State Board's Policies and Procedures, the Foundation shall: (1) solicit, receive and accept gifts, devises, bequests and other direct or indirect contributions of money and other property made for the benefit of the University from the general public (including individuals, corporations, other entities and other sources); (2) manage and invest the money and property it receives for the benefit of the University; and (3) support and assist the University in fundraising and donor relations.

In carrying out its purposes, the Foundation shall not engage in activities that: (1) conflict with federal or state laws, rules and regulations (including all applicable provisions of the Internal Revenue Code and corresponding Federal Treasury Regulations); (2) cause the University to be in violation of applicable policies of the State Board; or (3) conflict with the role and mission of the University.

## **ARTICLE II** **Foundation's Organizational Documents**

The Foundation shall provide the University with access to its Articles of Incorporation and Bylaws, as amended, via the Foundation's public website. The Foundation, to the extent practicable, also shall provide the University with an advance copy of any proposed amendments to the Foundation's Articles of Incorporation and Bylaws. The University shall provide all such documents to the State Board.

## **ARTICLE III** **University Resources and Services**

### **1. University Employees.**

a. *University/Foundation Liaison:* The University's Vice President for University Advancement shall serve as the University's Liaison to the Foundation.

- i. The Vice President for University Advancement shall be responsible for coordinating the University's and the Foundation's fundraising efforts and for supervising and coordinating the administrative support provided by the University to the Foundation.
- ii. The Vice President for University Advancement or designee shall attend each meeting of the Foundation's Board of Directors and shall report on behalf of the University to the Foundation's Board of Directors regarding the University's fundraising efforts.

b. *Director of Advancement and Foundation Services:* The Director of Advancement and Foundation Services is an employee of the University. The Director of Advancement and Foundation Services shall be responsible for the supervision and control of the day-to-day operations of the Foundation, subject to the direction and control of the Foundation, as set forth in the Service Agreement attached hereto as Exhibit "B" ("Service Agreement"). More specific duties of the Director of Advancement and Foundation Services are set forth in the Service Agreement.

c. *Other University Employees Holding Key Foundation or Administrative or Policy Positions:* In the event the University and the Foundation determine it is appropriate for one or more additional University employees who function in a key administrative or policy making capacity for the University (including, but not limited to, any University Vice-President or equivalent position) to serve both the University and the Foundation, then, pursuant to State Board Policy V.E., this Operating Agreement shall be amended to clearly set forth the authority and responsibilities of the position of any such University employee.

d. *Limited Authority of University Employees.* Notwithstanding the foregoing provisions, no University employee who functions in a key administrative or policy making capacity for the University (including, but not limited to, any University Vice-President or equivalent position) shall be permitted to have responsibility or authority for Foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of Foundation employees.

2. **Support Services.** The University shall provide administrative, financial, accounting, investment, and development services to the Foundation, as set forth in the Service Agreement. All University employees who provide support services to the Foundation shall remain University employees under the direction and control of the University, unless agreed that the direction and

control of any such employee will be vested with the Foundation. In consideration of the services provided to the Foundation by the University, the Foundation will pay directly to the University that portion of the overhead costs agreed to between the parties under the Service Agreement. The portion of such costs shall be determined by the agreement of the Parties.

3. University Facilities and Equipment. The University shall provide the use of the University's office space and equipment to the Foundation upon the terms agreed to by the University and the Foundation. The terms of use of the University's office space and equipment shall be as set forth in the Service Agreement.

4. No Foundation Payments to University Employees. Notwithstanding any provision of this Operating Agreement to the contrary, the Foundation shall not make any payments directly to an University employee in connection with any resources or services provided to the Foundation pursuant to this Operating Agreement.

## **ARTICLE IV** **Management and Operation of Foundation**

The management and control of the Foundation shall rest with its Board of Directors.

### **1. Gift Solicitation.**

*Authority of Vice President for University Advancement.* All Foundation gift solicitations shall be subject to the direction and control of the Vice President for University Advancement.

a. *Form of Solicitation.* Any and all Foundation gift solicitations shall make clear to prospective donors that (1) the Foundation is a separate legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the University; and (2) responsibility for the governance of the Foundation, including the investment of gifts and endowments, resides in the Foundation's Board of Directors.

b. *Foundation is Primary Donee.* Absent unique circumstances, prospective donors shall be requested to make gifts directly to the Foundation rather than to the University.

### **2. Acceptance of Gifts.**

a. *Approval Required Before Acceptance of Certain Gifts.* Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by the University, the Foundation shall obtain the prior written approval of the University. Similarly, the Foundation shall also obtain the prior written approval of the University of the acceptance of any gift or grant that would impose a binding financial or contractual obligation on the University.

b. *Acceptance of Gifts of Real Property.* The Foundation shall conduct adequate due diligence on all gifts of real property that it receives. All gifts of real property intended to be

held and used by the University shall be approved by the State Board before acceptance by the University and the Foundation. In cases where the real property is intended to be used by the University in connection with carrying out its proper functions, the real property may be conveyed directly to the University, in which case the University and not the Foundation shall be responsible for the due diligence obligations for such property.

c. *Processing of Accepted Gifts.* All gifts received by the University or the Foundation shall be delivered (if cash) or reported (if any other type of property) to the Foundation's designated gift administration office (a unit of the Foundation) in accordance with the Service Agreement.

3. Fund Transfers. The Foundation agrees to transfer funds, both current gifts and income from endowments, to the University on a regular basis as agreed to by the Parties. The Foundation's Treasurer or other individual to whom such authority has been delegated by the Foundation's Board of Directors shall be responsible for transferring funds as authorized by the Foundation's Board of Directors.

a. *Restricted Gift Transfers.* The Foundation shall inform the University officials into whose program or department funds are transferred of any restrictions on the use of such funds and provide such officials with access to any relevant documentation concerning such restrictions. Such University officials shall account for such restricted funds separate from other program and department funds in accordance with applicable University policies and shall notify the Foundation on a timely basis regarding the uses of such restricted funds.

b. *Unrestricted Gift Transfers.* The Foundation may utilize any unrestricted gifts it receives for any use consistent with the Foundation's purposes as generally summarized in Article I of this Operating Agreement. If the Foundation elects to use unrestricted gifts to make grants to the University, such grants shall be made at such times and in such amounts as the Foundation's Board of Directors may determine in the Board's sole discretion.

#### 4. Foundation Expenditures and Financial Transactions.

a. *Signature Authority.* The Foundation designates the Foundation Treasurer as the individual with signature authority for the Foundation in all financial transactions. The Foundation may supplement or change this designation with written notice to the University; provided, however, in no event may the person with Foundation signature authority for financial transactions be an University employee.

b. *Expenditures.* All expenditures of the Foundation shall be (1) consistent with the charitable purposes of the Foundation, and (2) not violate restrictions imposed by the donor or the Foundation as to the use or purpose of the specific funds.

5. University Report on Distributed Funds. On a regular basis, which shall not be less than annually, the University shall report to the Foundation on the use of restricted and unrestricted funds

transferred to the University. This report shall specify the restrictions on any restricted funds and the uses of such funds.

6. Transfer of University Assets to the Foundation. No University funds, assets, or liabilities may be transferred directly or indirectly to the Foundation without the prior approval of the State Board except when:

- a. A donor inadvertently directs a contribution to the University that is intended for the Foundation in which case such funds may be transferred to the Foundation so long as the documents associated with the gift indicate the Foundation was the intended recipient of the gift. In the absence of any such indication of donor intent, such funds shall be deposited in an University account, and State Board approval will be required prior to the University's transfer of such funds to the Foundation.
- b. The University has gift funds that were originally transferred to the University from the Foundation and the University wishes to return a portion of those funds to the Foundation for reinvestment consistent with the original intent of the gift.
- c. Transfers of a *de minimis* amount not to exceed \$10,000 from the University to the Foundation provided such funds are for investment by the Foundation for scholarship or other general University support purposes. This exception shall not apply to payments by the University to the Foundation for obligations of the University to the Foundation, operating expenses of the Foundation or other costs of the Foundation.
- d. The transfer is of funds raised by the University for scholarship or program support and the funds are deposited with the affiliated foundation for investment and distribution in accordance with the purpose for which the funds were raised.

7. Separation of Funds. All Foundation assets (including bank and investment accounts) shall be held in separate accounts in the name of the Foundation using Foundation's Federal Employer Identification Number. The financial records of the Foundation shall be kept using a separate chart of accounts. For convenience purposes, some Foundation expenses may be paid through the University such as payroll and campus charges. These expenses will be paid through accounts clearly titled as belonging to the Foundation and shall be reimbursed by the Foundation on a regular basis.

8. Insurance. The Foundation shall maintain insurance to cover the operations and activities of its directors, officers and employees. The Foundation shall also maintain general liability coverage.

9. Investment Policies. All funds held by the Foundation, except those intended for short term expenditures, shall be invested in accordance with the Uniform Prudent Management of University Funds Act, Idaho Code Sections 33-5001 to 33-5010, and the Foundation's investment policy which is posted on the Foundation's public website; provided, however, the Foundation shall not invest any funds in a manner that would violate the applicable terms of any restricted gifts. The

Foundation shall provide the University with access to its investment policy, as amended, via the Foundation's public website.

10. Organization Structure of the Foundation. The organizational structure of the Foundation is set forth in the Foundation's Articles of Incorporation and the Bylaws, as amended. The Foundation shall provide the University and State Board with access to its Articles of Incorporation and Bylaws, as amended, via the Foundation's public website.

## **ARTICLE V** **Foundation Relationships with the University**

At all times and for all purposes of this Operating Agreement, the University and the Foundation shall act in an independent capacity and not as an agent or representative of the other Party, provided, however, the University and the Foundation acknowledge that the Foundation carries out functions for the benefit of the University. As such, the Parties shall share certain information as provided below.

1. Access to Records. Subject to recognized legal privileges, each Party shall have the right to access the other Party's financial, audit, donor and related books and records as needed to properly conduct its operations.

2. Record Management.

a. The Parties recognize that the records of the Foundation relating to actual or potential donors contain confidential information. Such records shall be kept by the Foundation in such a manner as to protect donor confidentiality to the fullest extent allowed by law. Notwithstanding the access to records permitted above, access to such confidential information by the University shall be limited to the University's President, Vice President for University Advancement, and any designee of the University's President or Vice President for University Advancement, subject to such designee first completing a confidentiality agreement.

b. The Foundation shall be responsible for maintaining all permanent records of the Foundation including but not limited to the Foundation's Articles, Bylaws and other governing documents, all necessary documents for compliance with IRS regulations, all gift instruments, and all other Foundation records as required by applicable laws.

c. Although the Foundation is a private entity and is not subject to the Idaho Public Records Law, the Foundation, while protecting personal and private information related to private individuals, is encouraged, to the extent reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or similar non-personal and non-confidential financial or policy information.

3. Name and Marks. Consistent with its mission to help to advance the plans and objectives of the University, the University grants the Foundation the limited, non-exclusive use of the name Idaho State University, for use in its support of the University. The Foundation shall operate

under the University's logotype in support of its organizational business and activities. Any use by the Foundation of the University's logotypes or other trademarks must be with prior approval of the University through the Office of Marketing and Communications.

4. Identification of Source. The Foundation shall be clearly identified as the source of any correspondence, activities and advertisements emanating from the Foundation.

5. Establishing the Foundation's Annual Budget. The Foundation shall provide the University with the Foundation's proposed annual operating budget and capital expenditure plan (if any) prior to the date the Foundation's Board of Directors meeting at which the Foundation's Board will vote to accept such operating budget. Additional funding requests made by the University to the Foundation shall be communicated in writing to the Director of Advancement and Foundation Services and the Foundation's Treasurer for consideration by the Foundation Board within an appropriate period of time for the Foundation Board to evaluate and respond to the request without causing undue burden for investment decisions relative to a funding approval.

6. Attendance of University's President at Foundation's Board of Director Meetings. The University's President shall be invited to attend all meetings of the Foundation's Board of Directors and may act in an advisory capacity in such meetings.

7. Supplemental Compensation of University Employees. Any supplemental compensation of University employees by the Foundation must be preapproved by the State Board. Any such supplemental payment or benefits must be paid by the Foundation to the University, and the University shall then pay compensation to the employee in accordance with the University's normal practice. No University employee shall receive any payments or other benefits directly from the Foundation.

## **ARTICLE VI**

### **Audits and Reporting Requirements**

1. Fiscal Year. The Foundation and the University shall have the same fiscal year.

2. Annual Audit. On an annual basis, the Foundation shall have an audit conducted by a qualified, independent certified public accountant who is not a director or officer of the Foundation. The annual audit will be provided on a timely basis to the University's President and the State Board, in accordance with the State Board's schedule for receipt of said annual audit. The Foundation's annual statements will be presented in accordance with standards promulgated by the Financial Accounting Standards Board (FASB). The Foundation is a component unit of the University as defined by the Government Accounting Standards Board (GASB). Accordingly, the University is required to include the Foundation in its financial statements which follow a GASB format. Therefore, the Foundation will prepare schedules reconciling the FASB Statements to GASB standards in the detail required by GASB Standards. The annual audited financial statements, including the auditor's independent opinion regarding such financial statements, and schedules shall be submitted to the University Office of Finance and Business Affairs in sufficient time to incorporate

the same into the University's statements. All such reports and any accompanying documentation shall protect donor privacy to the extent allowable by law.

3. Separate Audit Rights. The University agrees that the Foundation, at its own expense, may at any time during normal business hours conduct or request additional audits or reviews of the University's books and records pertinent to the expenditure of donated funds. The Foundation agrees that the University and the State Board, at its own expense, may, at reasonable times, inspect and audit the Foundation's books and accounting records.

4. Annual Reports to University President. On a regular basis, which shall not be less than annually, the Foundation shall provide a written report to the University President setting forth the following items:

- a. the annual financial audit report;
- b. an annual report of Foundation transfers made to the University, summarized by University department;
- c. an annual report of unrestricted funds received by the Foundation;
- d. an annual report of unrestricted funds available for use during the current fiscal year;
- e. a list of all of the Foundation's officers, directors, and employees;
- f. a list of University employees for whom the Foundation made payments to the University for supplemental compensation or any other approved purpose during the fiscal year, and the amount and nature of that payment;
- g. a list of all state and federal contracts and grants managed by the Foundation;
- h. an annual report of the Foundation's major activities;
- i. an annual report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding Foundation fiscal year for the benefit of the University; and
- j. an annual report of (1) any actual litigation involving the Foundation during its fiscal year; (2) identification of legal counsel used by the Foundation for any purpose during such year; and (3) identification of any potential or threatened litigation involving the Foundation.

## **ARTICLE VII**

### **Conflict of Interest and Code of Ethics and Conduct**

1. Conflicts of Interest Policy and Code of Ethics and Conduct. The Foundation's Conflict of Interest Policy is attached as Exhibit "F", and its Code of Ethical Conduct is set forth as Exhibit "G".

2. Dual Representation. Under no circumstances may an University employee represent both the University and the Foundation in any negotiation, sign for both entities in transactions, or direct any other University employee under their immediate supervision to sign for the related Party in a transaction between the University and the Foundation. This shall not prohibit University employees from drafting transactional documents that are subsequently provided to the Foundation for its independent review, approval and use.

3. Contractual Obligation of University. The Foundation shall not enter into any contract that would impose a financial or contractual obligation on the University without first obtaining the prior written approval of the University. University approval of any such contract shall comply with policies of the State Board with respect to State Board approval of University contracts.

4. Acquisition or Development or Real Estate. The Foundation shall not acquire or develop real estate or otherwise build facilities for the University's use without first obtaining approval of the State Board. In the event of a proposed purchase of real estate by the Foundation for the University, the University shall notify the State Board at the earliest possible date. Any such proposed purchase for the University's use shall be a coordinated effort of the University and the Foundation. Any notification to the State Board required pursuant to this paragraph may be made through the State Board's chief executive officer in executive session pursuant to the open meeting law, set forth in Idaho Code, Title 74, Chapter 2.

## **ARTICLE VIII** **General Terms**

1. **Effective Date.** This Operating Agreement shall be effective on the date set forth above.

2. **Right to Terminate.** This Operating Agreement shall terminate upon the mutual written agreement of both Parties. In addition, either Party may, upon 90 days prior written notice to the other, terminate this Operating Agreement, and either Party may terminate this Operating Agreement in the event the other Party defaults in the performance of its obligations and fails to cure the default within 30 days after receiving written notice from the non-defaulting Party specifying the nature of the default. Should the University choose to terminate this Operating Agreement by providing 90 days written notice or in the event of a default by the Foundation that is not cured within the time frame set forth above, the Foundation may require the University to pay, within 180 days of written notice, all debt incurred by the Foundation on the University's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives. Should the Foundation choose to terminate this Operating Agreement by providing 90 days written notice or in the event of a default by the University that is not cured within the time frame set forth above, the University may require the Foundation to pay any debt it holds on behalf of the Foundation in like manner. The Parties agree that in the event this Operating Agreement shall terminate, they shall cooperate with one another in good faith to negotiate a new agreement within six (6) months. In the event negotiations fail, the Parties will initiate the dispute resolution mechanism described below (through reference to the Foundation Chair and the State Board) to further attempt to negotiate a new agreement within the time period specified herein, they will refer the matter to the State Board for resolution. Termination of this Operating Agreement shall not constitute or cause dissolution of the Foundation.

3. **Dispute Resolution.** The Parties agree that in the event of any dispute arising from this Operating Agreement, they shall first attempt to resolve the dispute by working together with the appropriate staff members of each of the Parties. If the staff cannot resolve the dispute, then the dispute will be referred to the Chair of the Board of the Foundation and the University President. If the Foundation Board Chair and University President cannot resolve the dispute, then the dispute will be referred to the Foundation Chair and the State Board for resolution. If they are unable to resolve the dispute, the Parties shall submit the dispute to mediation by an impartial third Party or professional mediator mutually acceptable to the Parties. If and only if all the above mandatory steps are followed in sequence and the dispute remains unresolved, then, in such case, either Party shall have the right to initiate litigation arising from this Operating Agreement. In the event of litigation, the prevailing Party shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs, attorney fees, and other professional expenses.

4. **Dissolution of Foundation.** Consistent with provisions appearing in the Foundation's Bylaws and Articles of Incorporation, should the Foundation cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the Foundation shall transfer to the State Board (or

University, as applicable) the balance of all property and assets of the Foundation from any source, after the payment of all debts and obligations of the Foundation, and such property shall be vested in the State Board in trust for the use and benefit of the University.

5. Board Approval of Operating Agreement. Prior to the Parties' execution of this Operating Agreement, an unexecuted copy of this Operating Agreement must be approved by the State Board. Furthermore, this Operating Agreement, including any subsequent modifications and restatements of this Operating Agreement, shall be submitted to the State Board for review and approval no less frequently than once every three (3) years or more frequently if otherwise requested by the State Board.

6. Modification. Any modification to the Operating Agreement or Exhibits hereto shall be in writing and signed by both Parties.

7. Providing Document to and Obtaining Approval from the University. Unless otherwise indicated herein, any time documents are to be provided to the University or any time the University's approval of any action is required, such documents shall be provided to, or such approval shall be obtained from, the University's President or an individual to whom such authority has been properly delegated by the University's President.

8. Providing Documents to and Obtaining Approval from the Foundation. Unless otherwise indicated herein, any time documents are to be provided to the Foundation or any time the Foundation's approval of any action is required, such document shall be provided to, or such approval shall be obtained from, the Foundation's Board of Directors or an individual to whom such authority has been properly delegated by the Foundation's Board of Directors.

9. Notices. Any notices required under this Operating Agreement may be mailed or delivered as follows:

To the University:

President  
Idaho State University  
921 S 8<sup>th</sup> Avenue, Stop 8310  
Pocatello, ID 83209

To the Foundation:

Director of Advancement and Foundation Services  
Idaho State University Foundation, Inc.

Physical Address:  
1601 E. Bonneville St  
Pocatello, ID 83201

Mailing Address:  
921 S. 8<sup>th</sup> Ave, Stop 8050  
Pocatello, ID 83209

With an additional copy to:

Foundation Board Chair  
Idaho State University Foundation, Inc.

Physical Address:  
1601 E. Bonneville St  
Pocatello, ID 83201

Mailing Address:  
921 S. 8<sup>th</sup> Ave, Stop 8050  
Pocatello, ID 83209

10. No Joint Venture. At all times and for all purposes of this Memorandum of Understanding, the University and the Foundation shall act in an independent capacity and not as an agent or representative of the other Party.

11. Liability. The University and Foundation are independent entities and neither shall be liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members or employees.

12. Indemnification. To the extent allowed by law, the University and the Foundation each agree to indemnify, defend and hold the other Party, their officers, directors, agents and employees harmless from and against any and all losses, liabilities, and claims, including reasonable attorney's fees arising out of or resulting from the willful act, fault, omission, or negligence of the Party, its employees, contractors, or agents in performing its obligations under this Operating Agreement. This indemnification shall include, but not be limited to, any and all claims arising from an employee of one Party who is working for the benefit of the other Party. Nothing in this Operating Agreement shall be construed to extend to the University's liability beyond the limits of the Idaho Tort Claims Act, Idaho Code §6-901 et seq.

13. Assignment. This Operating Agreement is not assignable by either Party, in whole or in part.

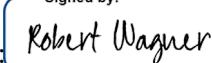
14. Governing Law. This Operating Agreement shall be governed by the laws of the State of Idaho.

15. Severability. If any provision of this Operating Agreement is held invalid or unenforceable to any extent, the remainder of this Operating Agreement is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

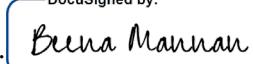
16. Entire Agreement. This Operating Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings pertaining thereto.

IN WITNESS WHEREOF, the University and the Foundation have executed this Operating Agreement on the above specified date.

Idaho State University

Signed by:  
By:   
Its: President

Idaho State University Foundation, Inc.

DocuSigned by:  
By:   
Its: Chair

**EXHIBIT "A"**

Loaned Employee Agreement

Not applicable at this time

## **EXHIBIT "B"**

### **SERVICES AGREEMENT**

THIS SERVICES AGREEMENT is entered into by and between IDAHO STATE UNIVERSITY, a state educational institution and a body politic and corporate organized and existing under the laws of the State of Idaho ("University"), and IDAHO STATE UNIVERSITY FOUNDATION, INC. a private Idaho nonprofit corporation ("Foundation").

#### **RECITALS**

- a. As stated in the Operating Agreement, the Foundation exists to support the mission and priorities of the University, including managing private resources and providing opportunities for students that may not otherwise occur.
- b. Currently, each and every one of the employees in the University's Advancement office are employees of the University. Currently, there are no employees employed by the Foundation.
- c. Because the Foundation has no employees, it relies entirely and exclusively upon one or more University employees to provide the support services it needs to fulfill its responsibilities, mission and purpose timely, adequately and competently. The Vice President for University Advancement has committed the necessary support and services to enable the Foundation to timely, adequately and competently fulfill its responsibilities and mission.
- d. At this time, the University and Foundation are entering into this Service Agreement for the purpose of memorializing their discussions and understanding.

NOW, THEREFORE in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

#### **A. The University agrees to provide to the Foundation the following services:**

1. The University is responsible for the employment and compensation of all University advancement staff who provide services to the Foundation, including the Director of Advancement and Foundation Services.
2. The Director of Advancement and Foundation Services, an employee of the University, shall provide administrative, financial, accounting, investment, and support services to the Foundation, as directed by the Foundation.
3. While providing services to the Foundation, University employees are subject to the oversight and direction of the Foundation's Board of Directors. The University acknowledges and agrees that the Director of Advancement and Foundation Services will prioritize the work of the Foundation, as necessary, to ensure the timely, adequate and competent fulfillment of the Foundation's mission and responsibilities.

4. The University agrees to provide the following specific services to the Foundation:
  - a. The University's Advancement employees will provide support services required to enable the Foundation to fulfill its administrative and fiduciary duties, including: (1) gift acknowledgment, processing and receipting; (2) management and operation of the donor database/system; (3) records maintenance; (4) routine, day to day, accounting (4) preparation of the annual financial audit; (5) filing of tax documents; (6) management of endowment and other investments under Uniform Prudent Management of University Funds Act, Idaho Code Sections 33-5001 to 33-5010 and in compliance with Foundation policies and procedures; (7) IT security and support; (8) maintenance of Foundation operational policies and (9) all other administrative and support services as required and requested by the Foundation.
  - b. Access to the University's financial system to receive, disburse and account for funds of the Foundation.
  - c. Accounting services, including cash receipts and disbursements, accounts receivable and payable, bank reconciliation, reporting and analysis, and internal auditing.
  - d. Development services, including document preparation, donor records, research, communications and special events.
5. The Director of Advancement and Foundation Services shall:
  - a. Supervise the University Advancement staff who are also employees of the University and who will provide financial and administrative support services to the Foundation.
  - b. At the direction of the Foundation's Investment and/or Finance Committees, facilitate investment transactions on behalf of the Foundation. Signature authority to facilitate any investment transaction will be subject to limits and controls specified by the Foundation, including internal controls established by any financial institution. Specifically, the Director of Advancement and Foundation Services' authority to assist in investment transactions is limited to the administrative task of transferring funds: (1) between accounts within the Foundation's operational bank account; (2) between accounts within the Foundation's investment account; and (3) between the Foundation's operational bank account and the Foundation's investment account. All other financial transactions must be executed by officers of the Foundation.
  - c. Review proposed gift agreements between the University, Foundation and donors, and prepare the agreements for execution by the Foundation's Board Chair or authorized designee. Any agreement that contains an exception to the Foundation's gift acceptance policy will be reviewed by the Executive Committee of the Foundation prior to gift acceptance and execution.
  - d. Attend regularly scheduled Foundation Board meetings, including monthly and specially called committee meetings. Additionally, the Director of Advancement and Foundation Services will attend all other meetings as requested by the Foundation, its board members or officers.
  - e. Promptly perform any and all tasks requested by the Foundation, consistent with the Director of Advancement and Foundation Services job description.

6. The University's President and Vice President for University Advancement shall serve as advisors to the Foundation Board, without voting rights. Executive officers of the University (President and Vice Presidents) shall not serve as Foundation Board officers.

**B. Facilities, Furnishings and Office Equipment:**

1. Facilities for the Foundation's business use shall be located in the ICCU Bengal Alumni Center, with the specific location determined in the University's discretion. The Foundation shall be entitled to use the Alumni Center for all Foundation related business, including the conference room and event space, at mutually acceptable times and at no charge to the Foundation, in accordance with the Guarantee Agreement between the parties, dated May 28, 2021. The Foundation will be responsible for costs of catering associated with any use.
2. The furnishings, computers, copiers and other items of office equipment used in the Foundation's office are owned by the University but shall be made available for use in the business of the Foundation.

**C. Reimbursement:**

1. The Foundation is responsible to reimburse the University for certain personnel costs, including benefits. Such costs shall be mutually agreed upon by the Foundation and University as part of the annual budget process set forth in the Operating Agreement and shall include, at a minimum, the personnel costs for the Director of Advancement and Financial Services, an assistant to the Foundation, and specific staff positions directly associated with the maintenance and upkeep of Foundation records and data systems. The Foundation will reimburse the University for replacement costs for furnishings and equipment used by personnel performing work for the Foundation. Other than that responsibility, the Foundation shall have no further obligation to reimburse the University for the costs incurred by the University for fundraising personnel, use of facilities or equipment or for other services provided to the Foundation by the University, unless otherwise agreed by the parties. No payments shall be made directly from the Foundation to University employees in connection with resources or services provided to the Foundation under this Agreement.
2. The Foundation shall provide unrestricted support to the University based on the Foundation's annual budget, with consideration of requests made by the University.

**D. Performance:**

The Foundation via the Board Chair shall, at a minimum annually, have the right and responsibility to provide performance evaluation information for the Director of Advancement and Foundation Services. The parties agree that one or more Foundation board members from the finance and investment committees or Board officers have the option to review the role and duties of the Director of Advancement and Foundation Services, as outlined within the job description. The Foundation agrees to provide

written performance information via the University performance management process and in alignment with the University performance management timelines. Upon request, the University likewise agrees to provide the Foundation with a copy of any written performance evaluations prepared by the University for employees who provide support services to the Foundation.

This Services Agreement shall be effective as of the date of the last signature thereto and shall continue in annual terms matched to the University's fiscal year until terminated by either party. This Services Agreement may be terminated by either party upon written notice of termination, such termination to be effective 30 days after notice thereof. This Services Agreement shall also terminate at the same time as any termination of the most recently signed Operating Agreement between the University and the Foundation. In the event of termination, all obligations of the parties hereto shall cease as of the date of termination except for obligations for payment or reimbursement which accrued prior to the date of termination.

**Idaho State University:**

Signed by:



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Robert W. Wagner, President

9/11/2024 | 3:45 PM MDT

Date

**Idaho State University Foundation:**

DocuSigned by:



30EDC9FF1B9C4FF...

Beena Mannan, Chair

9/12/2024 | 2:29 PM MDT

Date

**EXHIBIT "C"**

Investment Policy

See Foundation's Public Website

**EXHIBIT "F"**

Conflict of Interest Policy

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**EXHIBIT "G"**

**Code of Ethical Conduct**

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## **EXHIBIT "B"**

### **SERVICES AGREEMENT**

THIS SERVICES AGREEMENT is entered into by and between IDAHO STATE UNIVERSITY, a state educational institution and a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho ("University"), and IDAHO STATE UNIVERSITY FOUNDATION, a private Idaho nonprofit corporation ("Foundation").

#### **RECITALS**

- a. As stated in the Operating Agreement, the Foundation exists to support the mission and priorities of the University, including but not limited to managing private resources and providing opportunities for students that may not otherwise occur.
- b. Currently, each and every one of the employees in the University's Advancement office are employees of the University. Currently, there are no employees employed by the Foundation.
- c. Because the Foundation has no employees, it relies entirely and exclusively upon one or more University employees to provide the support services it needs to fulfill its responsibilities, mission and purpose timely, adequately and competently. The Vice President for University Advancement has committed the necessary support and services to enable the Foundation to timely, adequately and competently fulfill its responsibilities and mission.
- d. At this time, the University and Foundation are entering into this Service Agreement with the purpose of memorializing their discussions and understanding.

NOW, THEREFORE in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

#### **A. The University agrees to provide to the Foundation the following services:**

1. The Executive Director of Advancement and Foundation Services, an employee of the University, shall serve as the Managing Director of the Foundation and provide administrative, financial, accounting, investment, development and support services to the Foundation, as directed by the Foundation. The University is responsible for the employment and compensation of all University Advancement Staff who provide services to the Foundation, including the Executive Director of Advancement and Foundation Services in his or her capacity as the Managing Director of the Foundation. While providing services to the Foundation, University employees are subject to the oversight and direction of the Foundation's Board of Directors. The University acknowledges and agrees that the Executive Director of Advancement and Foundation Services will prioritize the work of the Foundation, as necessary, to ensure the timely, adequate and competent fulfillment of the Foundation's mission and responsibilities.

2. The University agrees to provide the following specific services to the Foundation:
  - a. The University's Advancement employees will provide support services required to enable the Foundation to fulfill its administrative and fiduciary duties, including but not limited to: (1) gift acknowledgment, processing and receipting; (2) management and operation of the donor database/system; (3) records maintenance; (4) routine, day to day, accounting (4) preparation of the annual financial audit; (5) filing of tax documents; (6) management of endowment and other investments under UPMIFA and in compliance with Foundation policies and procedures; (7) IT security and support; (8) maintenance of Foundation operational policies and (9) all other administrative and support services as required and requested by the Foundation.
  - b. Access to the University's financial system to receive, disburse and account for funds of the Foundation.
  - c. Accounting services, to include cash receipts and disbursements, accounts receivable and payable, bank reconciliation, reporting and analysis, and internal auditing.
  - d. Development services, including but not limited to document preparation, donor records, research, communications and special events.
3. The Managing Director shall:
  - a. Supervise the University Advancement staff who are also employees of the University and who will provide support services to the Foundation.
  - b. At the direction of the Foundation's Investment and/or Finance Committees, facilitate investment transactions on behalf of the Foundation. Signature authority to facilitate any investment transaction, will be subject to limits and controls specified by the Foundation, including internal controls established by any financial institution. Specifically, the Managing Director's authority to assist in investment transactions is limited to the administrative task of transferring funds: (1) between accounts within the Foundation's operational bank account; (2) between accounts within the Foundation's investment account; and (3) between the Foundation's operational bank account and the Foundation's investment account. All other financial transactions must be executed by officers of the Foundation.
  - c. Review proposed gift agreements between the University, Foundation and donors, and execute the agreements on behalf of the Foundation. Any agreement that contains an exception to the Foundation's gift acceptance policy will be reviewed by the Executive Committee of the Foundation prior to gift acceptance and execution.
  - d. Attend regularly scheduled Foundation Board meetings, including monthly and specially called committee meetings. Additionally, the Managing Director will attend all other meetings as requested by the Foundation, its board members or officers.
  - e. Promptly perform any and all tasks requested by the Foundation, consistent with the Managing Director job description.
4. The President, and the Vice President for University Advancement, of the University

shall serve as Ex Officio Foundation Board members, but shall have no voting rights. Executive officers of the University (President and Vice Presidents) shall not serve as Foundation Board officers.

**B. Facilities, Furnishings and Office Equipment:**

1. The business office of the Foundation shall be located in the University Advancement Office, the nature and location of which shall be in the University's discretion.
2. The University will provide office space to the Foundation, including providing all maintenance and utilities, and local and long-distance telephone service for use in the business of the Foundation. The furnishings, computers, copiers and other items of office equipment used in the Foundation's office are owned by the University but shall be made available for use in the business of the Foundation. The cost of repairing, maintaining and replacing such furnishings and equipment shall be paid by the University.

**C. Reimbursement:**

1. The Foundation is responsible to reimburse the University for the Managing Director's personnel costs, including benefits. Other than that responsibility, the Foundation shall have no further obligation to reimburse the University for the costs incurred by the University for personnel, use of facilities or equipment or for other services provided to the Foundation by the University. No payments shall be made directly from the Foundation to College employees in connection with resources or services provided to the Foundation under this Agreement.
2. The Foundation shall provide unrestricted support to the University based on its annual budget, with consideration of requests made by the University.

**D. Performance:**

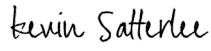
The Foundation via the Board Chair shall, at a minimum annually, have the right and responsibility to provide performance evaluation information and a performance rating for the Managing Director position and duties. The parties agree that one or more Foundation board members or officers have the option to be present during the performance evaluation review of the Executive Director of Advancement and Foundation Services, specifically and only for the Managing Director role and duties portion. The Foundation agrees to provide the written performance information via the University performance management system and in alignment with the University performance management timelines. Upon request, the University likewise agrees to provide the Foundation with a copy of any written performance evaluations prepared by the University for employees who provide support services to the Foundation.

This Services Agreement shall be effective as of the date of the last signature thereto and shall continue in annual terms matched to the University's fiscal year until terminated by either party. This Services Agreement may be terminated by either party upon written notice of termination, such termination to be effective 30 days after notice thereof. This Services Agreement shall also

terminate at the same time as any termination of the most recently signed Operating Agreement between the University and the Foundation. In the event of termination, all obligations of the parties hereto shall cease as of the date of termination except for obligations for payment or reimbursement which accrued prior to the date of termination.

**Idaho State University:**

DocuSigned by:



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Kevin Satterlee, President

6/17/2021 | 3:07 PM MDT

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Date

**Idaho State University Foundation:**

DocuSigned by:



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David Jeppesen, Chair

6/17/2021 | 11:24 AM MDT

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Date

## **Section 2**

### **Ethics and Accountability**

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The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 2**

### **Ethics and Accountability**

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The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.01 - Mission Statement**

The Mission of the Idaho State University Foundation is to stimulate voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of Idaho State University and steward the support raised in accordance with donor intent.

It is the Foundation's responsibility to manage the private resources donated to support the mission and priorities of the University. These resources provide opportunities for students and a degree of institutional excellence unavailable with state funding levels.

The Foundation is dedicated to assisting the University in the endowment to support the priorities of the University, including the University strategic plan.

The Foundation supports the University in identifying and nurturing relationships with potential donors and other friends of the University; soliciting cash, securities, real and intellectual property, and other private resources for the support of the University. The Foundation is responsible for acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities.

**Person responsible for the periodic review of policy - Past Chair**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.02 - Values**

- We value Idaho State University and believe that the support we provide is essential for the University to adequately fulfill its mission and responsibility to the people of the State of Idaho.
- We believe that we exist solely to support the University and its students. We will deal respectfully and courteously with representatives of the Idaho State Board of Education, University Officials and others charged with University governance.
- We recognize that we have a responsibility to our donor community. We are good stewards of the contributions from our donors and regularly and sincerely show our gratitude.
- We select the best possible people to be on our Board and work for the Foundation and we make certain they are put in a position that maximizes their strengths and opportunity for success.
- We adhere to the highest ethical, legal, and fiduciary standards in our operations. We recognize and disclose conflicts of interest and work to avoid perceived conflicts of interest. We maintain active oversight of all financial and investment matters.
- We believe that we will succeed as an organization only when we ourselves have individual success.
- We will continually seek out and implement ideas that will help us remain a leader in the field of providing private support for a public University.

**Person responsible for the periodic review of policy - Past Chair**

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.03 - Code of Ethical Conduct**

##### **2.03.01 Personal and Professional Integrity**

All staff (when used in this code, employees or staff members include staff either employed directly by the Foundation or on behalf of the Foundation by the University), board members, and volunteers of the Idaho State University Foundation act with honesty, integrity, and openness in all their dealings as representatives of the organization. The organization promotes a working environment that values respect, fairness, and integrity.

##### **2.03.02 Mission**

The Idaho State University Foundation has a clearly stated mission and purpose, approved by the board, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the organization understand and are loyal to that mission and purpose.

##### **2.03.03 Governance**

The Idaho State University Foundation has an active governing body, the Board, which is responsible for setting the mission and strategic direction of the organization and oversight of the finances, operations, and policies of the Idaho State University Foundation. The Board:

- a. Ensures that its members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Idaho State University Foundation and its public purpose,
- b. Has a conflict-of-interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal, or other means,
- c. Has a statement of personal commitment that provides attestation to the commitment to the Idaho State University Foundation's goals and values,
- d. Ensures that the Executive Vice President of Advancement and appropriate staff provide the Board with timely and comprehensive information so that the Board can effectively carry out its duties,
- e. Ensures that the Idaho State University Foundation conducts all transactions and dealings with integrity and honesty,
- f. Ensures that the Idaho State University Foundation promotes working relationships with Board Members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness, and openness,
- g. Ensures that the organization is fair and inclusive in its hiring and promotion policies and practices for all board, staff, and volunteer positions,

## **Section 2**

### **Ethics and Accountability**

- h. Ensures that policies of the Idaho State University Foundation are in writing, clearly articulated, and officially adopted,
- i. Has an Audit Committee that is responsible for engaging independent auditors to perform an annual audit of the Idaho State University Foundation's financial statements. The audit committee also is responsible for overseeing the reliability of financial reporting, including the effectiveness of internal control over financial reporting, reviewing, and discussing the annual audited financial statements to determine whether they are complete and consistent with operational and other information known to the committee members, understanding significant risks and exposures and management's response to minimize the risks, and understanding the audit scope and approving audit and non-audit services,
- j. Ensures that the resources of the Idaho State University Foundation are responsibly and prudently managed,
- k. Ensures that the Idaho State University Foundation has the capacity to carry out its programs effectively.

#### **2.03.04 Responsible Stewardship**

The Idaho State University Foundation manages its funds responsibly and prudently. This should include the following considerations:

- a. Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management,
- b. Intends that all who are entitled to receive compensation for the organization are, reasonably, fairly and appropriately compensated,
- c. Knows that solicitation of funds has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs,
- d. Does not accumulate operating funds excessively,
- e. Draws prudently from endowment funds consistent with donor intent and to support the public purpose of the Idaho State University Foundation,
- f. Ensures that all spending practices and policies are fair, reasonable, and appropriate to fulfill the mission of the Idaho State University Foundation,
- g. Ensures that all financial reports are factually accurate and complete in all material respects,
- h. Ensures compliance with laws and regulations.

## **Section 2**

### **Ethics and Accountability**

#### **2.03.05 Openness and Disclosure**

The Idaho State University Foundation provides comprehensive and timely information to all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about the Idaho State University Foundation will fully and honestly reflect the policies and practices of the organization. Basic informational data about the Idaho State University Foundation, such as the Form 990, will be posted online or otherwise made available to the public. All solicitation materials accurately represent the Idaho State University Foundation's policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

#### **2.03.06 Legal Compliance**

The Idaho State University Foundation will employ knowledgeable legal counsel that will help ensure that the organization is knowledgeable of, and complies with, laws and regulations.

#### **2.03.07 Organizational Effectiveness**

The Idaho State University Foundation is committed to improving its organizational effectiveness and develops mechanisms to promote learning from its activities. The Idaho State University Foundation is responsive to changes in its field of soliciting funds from private sources and managing endowments and is responsive to the needs of its constituencies.

#### **2.03.08 Inclusiveness and Diversity**

The Idaho State University Foundation has a policy of promoting inclusiveness. Its staff, board, and volunteers should reflect diversity in order to enrich its programmatic effectiveness. The Idaho State University Foundation takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment, and constituencies served.

#### **2.03.09 Fundraising**

When the Idaho State University Foundation solicits funds it uses material that is truthful about the organization. The Idaho State University Foundation respects the privacy concerns of individual donors and expends funds consistent with donor intent. The Idaho State University Foundation discloses important and relevant information to potential donors.

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### **Ethics and Accountability**

In raising funds from public and private sources, the Idaho State University Foundation will respect the rights of donors, as follows:

- a. Donors will be informed of the mission of the Idaho State University Foundation, the way the resources will be used, and the University's capacity to use donations effectively for their intended purpose. Further, they will:
- b. Be informed of the identity of those serving on the Idaho State University Foundation's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- c. Have access to the Idaho State University Foundation's most recent financial reports.
- d. Be assured their gifts will be used for purposes for which they are given to the extent that such gifts are in compliance with University and Foundation policies.
- e. Receive appropriate acknowledgment and recognition.
- f. Be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- g. Be approached in a professional manner.
- h. Be informed whether those seeking donations are volunteers, employees of Idaho State University or of the Foundation, or hired solicitors.
- i. Have the opportunity for their names to be deleted from mailing lists that the Idaho State University Foundation may intend to share.
- j. Be encouraged to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

#### **2.03.10 Reporting Responsibility**

It is the responsibility of all directors, officers, and employees to comply with the code of ethical conduct and to report violations or suspected violations to the Chair of the Audit Committee or the general counsel of the organization. The person receiving the report will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days, unless the submission of the violation is anonymous. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

**Person responsible for the periodic review of policy – Legal Counsel**

## Section 2

### Ethics and Accountability

#### Section 2.04 - Conflict of Interest Policy

##### 2.04.01 Purpose

The purpose of the conflict of interest policy is to protect the Foundation's interest when it is contemplating entering into a contract, transaction, or arrangement that might benefit the private interest of a Foundation officer, director, or advisor to the directors or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations, or the Idaho State Board of Education's policy.

##### 2.04.02 Definitions

- a. Interested Person. Any director, officer, advisor to the directors, member of a committee with Board delegated powers, or staff member, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business or investment, or a member of the person's family has:
  - i. A position as an officer, director, trustee, partner, employee, or agent of any entity with which the Foundation has or is considering a contract, transaction, or arrangement;
  - ii. An ownership or investment interest in any entity with which the Foundation has or is considering a contract, transaction, or arrangement;
  - iii. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has or is considering a contract, transaction, or arrangement;
  - iv. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is considering or negotiating a contract, transaction, or arrangement; or
  - v. Any other direct or indirect dealings with any entity from which he or she knowingly benefitted (e.g., through receipt directly or indirectly of cash or other property exclusive of dividends or interest) and with which the Foundation has, is considering, or is negotiating a contract, transaction, or arrangement.
- c. The term "a member of the person's family" means the person's spouse, parent, step-parent, guardian, brother, sister, step-brother, step-sister, mother-in-law, father-in-law, child, stepchild, grandmother, grandfather, aunt, uncle, niece, nephew, brother-in-law, sister-in-law, first cousin, or grandchild.
- d. Compensation includes direct and indirect remuneration as well as gifts or favors.

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- e. Determining that a conflict of interest exists is almost always an easy process and the interested person simply recuses himself or herself from consideration of the issue. However, in rare instances the potential conflict is not clear and certain financial interests may not necessarily be a conflict of interest. Under Section 2.04.03 Paragraph (b) below, a person who has such a financial interest may ask the appropriate Board or Committee to decide if a conflict of interest exists.

#### **2.04.03 Procedures**

- a. **Duty to Disclose.** At the first knowledge of the possibility, creation, or existence of a financial interest as described above, the interested person must disclose to the Board the existence of the financial interest and any and all relevant and material facts known to the interested person about the proposed or existing contract, transaction, or arrangement that might reasonably be construed to be adverse to the Foundation's interest. It is usual, at this point, for the interested person to recuse themselves from any consideration of the issue. However, if the interested party is not certain that a conflict of interest exists, the interested person must be given the opportunity to disclose all other material facts to the directors and members of committees with Board delegated powers considering the proposed contract, transaction, or arrangement. When an interested person asks for a formal opinion of the Board or a Committee as to the existence of a conflict of interest, the Board or Committee should seek the guidance of the Foundation's legal counsel.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists. If, after consultation with the Foundation's legal counsel, the Board or Committee concludes that no conflict exists then the Foundation's legal counsel may want to discuss the issue with the University and/or the State Board of Education's legal counsel.
- c. **Procedures for Addressing the Conflict of Interest.** In almost all instances the recusal by an interested person will resolve any conflict of interest issue. However, in unusual cases the following procedures may be necessary:
  - i. Rarely, an interested person may be the only person with knowledge of critical information concerning the item being considered as a potential conflict of interest. In that case, the interested person may make a presentation at the Board or Committee meeting, but after the presentation, he or she shall leave the meeting while the Board or Committee discusses and votes on the contract, transaction, or

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arrangement involving the possible conflict of interest.

- ii. In unusual circumstances, the recusal of the interested person may not resolve the conflict of interest. In those cases, the Chairperson of the Board or Committee, after consulting with the Foundation's legal counsel, shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed contract, transaction, or arrangement.
- iii. After exercising due diligence, the Board or Committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous contract, transaction, or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv. If a more advantageous contract, transaction, or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested directors whether the contract, transaction, or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the contract, transaction, or arrangement. The Foundation should notify the University of the conflict, and if appropriate, the State Board of Education.
- v. Such contract, transaction, or arrangement shall only be authorized, approved, or ratified upon the affirmative vote of a majority of the directors of the Board then in office, or a majority of the Committee members, who are not interested persons as described above.

#### **2.04.04 Violations of the Conflicts of Interest Policy**

If the Board or a Committee has reasonable cause to believe that a Foundation officer, director, or advisor to the directors has failed to disclose actual or possible conflicts of interest, it shall inform them of the basis for such belief and afford them an opportunity to explain the alleged failure to disclose.

If, after hearing an officer, director, or advisor to the directors' explanation, and after making further investigation as warranted by the circumstances, the Board or Committee determines they have failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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#### **2.04.05      Records of Proceedings**

The minutes of the Board and all Committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the interested person(s) excluded from discussions and votes relating to the contract, transaction, or arrangement, the content of the discussion, including any alternatives to the proposed contract, transaction, or arrangement, and the results of any votes taken in connection with the proceedings.

#### **2.04.06      Compensation**

- a. A member of the Board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation

#### **2.04.07      Annual Statements**

Each Foundation officer, director, or advisor to the directors shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

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#### **2.04.08      Periodic Reviews**

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, an annual review, in conjunction with the Foundation filing its Form 990 with the Internal Revenue Service, shall be conducted under the supervision of the Director of Advancement & Foundation Services. The results of the review shall be reported to the Audit Committee during its meeting to review and approve the filing of Form 990. The annual review shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### **2.04.09      Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 2.04.08, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

#### **2.04.10      Foundation Conflicts**

The Foundation acting through its officers and directors will make a good faith attempt to avoid conflicts of interest between the Foundation and Idaho State University and its Board, and will not, without approval of the Board of the Foundation, borrow funds from, or otherwise obligate Idaho State University.

#### **2.04.11      Material Gifts**

No Foundation staff, officer, director, or advisor to the directors shall accept from any source any material gift or gratuity in excess of fifty dollars (\$50.00) that is offered, or reasonably appears to be offered, because of the position held with the Foundation; nor shall an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

**Person responsible for the periodic review of policy – Legal Counsel**

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.05 - Confidentiality**

It is the policy of the Idaho State University Foundation that Board Members and employees (when used in this policy, employees or staff members include staff either employed directly by the Foundation or on behalf of the Foundation by the University) of the Idaho State University Foundation may not disclose, divulge, or make accessible confidential records or information belonging to, or obtained through their affiliation with the Idaho State University Foundation to any person, including relatives, friends, and business and professional associates, or other third party, other than to persons who have a legitimate need for such information and to whom the Idaho State University Foundation has authorized disclosure. Board Members and employees shall use confidential information solely for the purpose of performing services as a board member or employee for the Idaho State University Foundation. This policy is not intended to prevent disclosure where disclosure is required by federal or state law or regulation, or by judicial order.

- a. All information concerning a donor's contribution, other than information published in the annual report, newsletter, or the Idaho State University Foundation's publications, shall remain confidential unless approved by the donor. This includes, but is not limited to, records or information on the size and types of a contribution or pledge, the size of the endowment fund established, and other such information.
- b. All records or information obtained about donors and prospective donors will remain confidential and not discussed with any individual, other than a board or staff member, unless otherwise authorized by the donor or prospective donor.
- c. The home addresses, telephone numbers, fax numbers, or email addresses of donors and prospective donors are not to be disclosed to any individual or organization, other than a board or staff member, without the express permission of the person whose information is to be disclosed.
- d. When a donor requests that his or her gift or fund be treated as an anonymous gift or fund, the donor's wishes are to be honored by both board and staff members to the extent allowed by federal or state law or regulation.
- e. All staff members shall adhere to the principle that all donor and prospect records or information created by, or on behalf of, the Idaho State University Foundation is the property of the Idaho State University Foundation and shall not be transferred or utilized except on behalf of the Idaho State University Foundation.
- f. Board Members and employees must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential records or information. Conversations in public places, such as restaurants, elevators, and airplanes, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, Board members and employees should be sensitive to the risk of inadvertent disclosure and should, for example, refrain from leaving confidential records or information on desks or otherwise in

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### **Ethics and Accountability**

plain view and refrain from the use of speakerphones to discuss confidential information if the conversation could be heard by unauthorized persons. All measures should be taken to protect the disclosure of confidential information stored on any computer or phone, including but not limited to cloud sharing applications.

- g. At the end of a Board Member's term in office or upon the termination of an employee's employment, he or she shall return, whether specifically requested or not, all documents, papers, computer records, recordings and any other materials, regardless of medium, that may contain or be derived from confidential records or information in his or her possession.

**Person responsible for the periodic review of policy – Legal Counsel**

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.06 - Records Retention and Document Destruction**

##### **2.06.01 Purpose**

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by the Idaho State University Foundation in connection with the transaction of Foundation business.

This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and specifies how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the Idaho State University Foundation's operations by promoting efficiency and freeing up valuable storage space.

##### **2.06.02 Document Retention**

The Idaho State University Foundation follows the document retention procedures outlined by the Idaho State Board of Education Policies and Procedures for Public Higher Education Records Retention Schedule, Records Management Guide Appendix 9 (available on the Idaho State Board of Education website at <https://boardofed.idaho.gov.>) and IRS Publication 4221 – Compliance Guide for 501(c)(3) Public Charities. The Foundation must keep records that support an item of income or deduction on a return until the statute of limitations for that return runs. The statute of limitations has run when the organization can no longer amend its return and the IRS can no longer assess additional tax. Generally, the statute of limitations runs three years after the date the return is due or filed, whichever is later.

###### **a. Corporate Records**

- i. Annual Reports to Secretary of State/Attorney General Permanent
- ii. Articles of Incorporation Permanent
- iii. Board Meeting and Board Committee Minutes Permanent
- iv. Board Policies/Resolutions Permanent
- v. Bylaws Permanent
- vi. IRS Application for Tax-Exempt Status (Form 1023) Permanent
- vii. IRS Determination Letter Permanent
- viii. State Sales Tax Exemption Letter Permanent
- ix. Contracts (after expiration) 6 years
- x. Correspondence (general) 3 years

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#### b. Accounting and Corporate Tax Records

- i. Annual Audits and Financial Statements Permanent
- ii. Depreciation Schedules Permanent
- iii. IRS Form 990 Tax Returns Permanent
- iv. General Ledgers Permanent
- v. Business Expense Records 3 years
- vi. IRS Forms 1099 7 years
- vii. Journal Entries 7 years
- viii. Invoices 3 years
- ix. Petty Cash Vouchers 3 years
- x. Cash Receipts 3 years
- xi. Credit Card Receipts 3 years

#### c. Bank Records

- i. Check Registers 3 years
- ii. Bank Deposit Slips 3 years
- iii. Bank Statements and Reconciliation 3 years
- iv. Electronic Fund Transfer Documents 3 years

#### d. Donor and Endowment Records

- i. Donor Records and Acknowledgment Letters 7 years
- ii. Endowment Contracts and Documentation Permanent

#### e. Legal, Insurance, and Safety Records

- i. Appraisals Permanent
- ii. Environmental Studies Permanent
- iii. Insurance Policies Permanent
- iv. Real Estate Documents Permanent
- v. Leases 6 years after expiration
- vi. General Contracts 3 years after termination

#### 2.06.03 Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods should be tested on a regular basis.

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#### **2.06.04      Emergency Planning**

The Idaho State University Foundation's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Idaho State University Foundation operating in an emergency will be duplicated or backed up at least every week and maintained off-site.

#### **2.06.05      Document Destruction**

The Idaho State University Foundation's Director of Finance and Operations is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

#### **2.06.06      Compliance**

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Idaho State University Foundation and its employees and possible disciplinary action against responsible individuals. The Director of Finance and Operations and Audit Committee chair will periodically review these procedures with legal counsel and the Foundation's certified public accountant to ensure that they are in compliance with new or revised regulations.

**Person responsible for the periodic review of policy – Director of Finance and Operations**

## **Section 2**

### **Ethics and Accountability**

#### **Section 2.07 - Review and Revision of Policies**

2.07.01 Each governance document and policy shall name an individual who is responsible for annual review of the policy and for suggesting revisions if necessary.

2.07.02 In the month after the spring Board meeting, the Foundation's Executive Assistant (EA) will send to each individual who is responsible for reviewing the policy a copy of the policy. The EA will also notify the Board and staff of the Foundation that the annual policy review is now being conducted and request that they provide the individuals reviewing the policies any suggested revisions.

2.07.03 In May of each year, the EA will contact each person reviewing policies and confirm that the review has been completed and if necessary, that proposed revisions have been provided to the Governance Committee.

2.07.04 The Governance Committee will consider the revisions proposed:

- a. Determine germane content, felicitous structure, and congruity with other sections of the Policy Manual.
- b. Evaluate what effect the revisions may have on other sections of the Policy Manual.
- c. Confer with Foundation legal counsel as necessary.
- d. Notify the responsible individual if there is any variance or conflict in the submitted revision and work with them to remedy differences.
- e. Prepare resolutions for any changes they choose to propose.

2.07.05 The Governance Committee will then present the resolutions to the Executive Committee during their July or August meeting for discussion

2.07.06 The Governance Committee will submit the resolutions to the Full Board for adoption during the fall meeting of the Board.

**Person responsible for the periodic review of policy – Board Secretary**

## **Section 3**

### **Board and Board Members**

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## Section 3

### Board and Board Members

#### Section 3.01 - Role of the Board

##### 3.01.01      Role of the Board

Acts as the fiduciary and guardian of the organizational assets

- a. Reviews and approves the Idaho State University Foundation's operating and discretionary spending budget as well as receives the report of the Audit Committee on the annual audited Financial Statements.
- b. Review and evaluate major fund-raising campaigns.
- c. Assesses progress toward fundraising goals.
- d. Assumes stewardship responsibility for the Idaho State University Foundation's finances.
- e. Sets policies for the overall management and operation of the Foundation.

##### 3.01.02      Expectations of the Members of the Board

- a. Attend regularly scheduled Board Meetings.
- b. Participate in committee work and if requested chair a committee.
- c. Become informed about the policies and programs of Idaho State University and its Foundation.
- d. Participate in fundraising activities and special events sponsored by Idaho State University and its Foundation.
- e. Contribute financially, annually, according to ability.
- f. Participate in board orientation activities.
- g. Act as an informed advocate of Idaho State University and its Foundation.

##### 3.01.03      Lifetime Board Members

To be eligible for designation as a Lifetime Board Member, a current or former Board member should have completed three terms on the Board. In addition, they must have rendered unusual, distinctive, and exceptionally meaningful service to the Board, the Foundation and the University. Designation as a Lifetime Board Member should rarely occur.

Any member of the Board, any ex officio members of the Board or any Emeritus Director may confidentially submit the name of an eligible person to a member of the Nominating Committee of the Board. The Nominating Committee will review all candidates submitted and in the unusual case, where the candidate is considered to meet the exceptional qualifications, may submit the name of a candidate to the Board for election as a specially designated Lifetime Board Member. All submissions to the Nominating Committee, as well as submissions to the Board, shall be handled in a confidential manner and any discussions and

## **Section 3**

### **Board and Board Members**

votes shall be held in Executive Session. While only a quorum is necessary at any meeting where a vote is taken, a majority of the entire Board membership voting in favor of designating someone a Lifetime Board Member is required.

A Lifetime Board Member shall have all the rights, duties and responsibilities of any other Board member including the right to vote. However, they shall not be subject to any attendance policy. Accordingly, they shall not be counted in determining the number required for a quorum or whether a quorum is present at any meeting. While they are not prohibited from serving on a Committee of the Board, there should be no expectation of Committee service as there is for other Board members.

**Person responsible for the periodic review of policy - Board Past Chair**

## Section 3

### Board and Board Members

#### **Section 3.02 - Board Member Agreement**

When the Idaho State University Foundation extends an offer to someone to join its Board of Directors, and if that person accepts, a relationship is being established between that person, the Foundation and other Directors. The purpose of this policy is to articulate the mutual undertakings that form the basis of that relationship. It should be clearly understood that no quotas are being set, and that no rigid standards of measurement and achievement are being formed. We trust each other to carry out the expectations enumerated below to the best of our ability.

##### **3.02.01      Board Member Agreement**

- a. The Idaho State University Foundation and the University agrees to provide each member of the board with the following:
  - i. Access to the officers and Executives of Idaho State University and its Foundation, as needed for proper operation of the Board.
  - ii. Ample notice of all meetings including necessary background material.
  - iii. Minutes of all Board Meetings.
  - iv. Regular financial reports that allow Board Members to review the Idaho State University Foundation's financial position.
  - v. Access to paid staff to discuss program and policy, goals, and objectives.
  - vi. Straightforward and thorough answers to any questions Board Members have that they feel are necessary to carry out their fiscal, legal, or moral responsibilities to the Foundation.
  - vii. Relevant information to conduct their job as a Board Member.
  - viii. To the extent allowed by law, indemnification from liability for a Board Member's reasonable and necessary actions.
  - ix. Reimbursement for reasonable expenses incurred when undertaking significant special tasks or projects on behalf of and at the request of the Idaho State University Foundation.
  - x. D&O insurance liability coverage.
  - xi. Respect for their time.
  - xii. The use of their talent effectively.
- b. Board Members of the Idaho State University Foundation promise to be fully committed and dedicated to the mission of the Foundation. Duties and responsibilities of a Board Member include, but are not limited to, the following:
  - i. Be fiscally responsible, with other board members, including having a knowledge of budget preparation and adherence, financial reports, investment processes and outcomes, audit compliance.
  - ii. Be legally responsible, along with other board members, overseeing, implementing and complying with policies and programs.
  - iii. Accept and adhere to the governing bylaws and policies as stated in the Policy Manual.

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### **Board and Board Members**

- iv. Attend a Board Orientation and/or other continuing education provided if possible.
- v. Contribute financially, annually, according to ability and give what is to them a substantial financial contribution during their term of service on the Board.
- vi. Actively engage in fundraising, making a good-faith effort to raise money for the Foundation in whatever ways are best suited for them. These may include individual solicitation, undertaking special events, writing mail appeals, etc.
- vii. Actively promote and advocate for Idaho State University and the Foundation within circles of influence, encourage and support its staff, and work in concert with fellow Board Members.
- viii. Attend Board Meetings, be available for phone consultation, and serve on at least one of the Idaho State University Foundation committees if requested and fulfill commitments in a timely and professional manner.
- ix. Attend as many of the University and Foundation's events and fundraisers as possible.
- x. Share resources and talents with the Foundation, including expertise, contacts for financial support, and contacts for in-kind contributions.
- xi. Maintain and promote high ethical standards as defined in the Policy Manual.
- xii. Maintain the confidentiality of the private information of the Foundation, staff, donors, and other Board Members.
- xiii. Communicate effectively and respect the diverse opinions of others.
- xiv. Agree that in the event, for whatever reason, they can no longer fulfill their duties and responsibilities as an Idaho State University Foundation Board Member, they will immediately notify the Board Past Chair and arrange to transfer any outstanding responsibilities to other members of the Board.

**Person responsible for the periodic review of policy - Board Past Chair**

## **Section 3**

### **Board and Board Members**

#### **Section 3.03 - Board Past Chair Job Description**

##### **3.03.01 Position Summary**

The Past Chair provides invaluable institutional and board knowledge, derived from having served in positions of Chair and Vice Chair, ensuring continuity of the Board's success. The Past Chair mentors, supports, and assists when needed the current Chair in his/her responsibilities. Additionally, the Past Chair, as directed by the Chair, executes functions which must be performed by officers of the Foundation.

##### **3.03.02 Responsibilities**

- a. Serves on the Executive Committee.
- b. Oversees efforts to build and maintain a strong Board by mentoring the Chair and cultivating leadership among individual Board Members.
- c. Works with the nominating committee to make Board development a priority and to identify and recruit new Board members who bring important skills and knowledge to the Board.
- d. Works with the nominating committee to identify candidates for Foundation Vice Chair and other officers.
- e. Responsible (along with the Chair) for meeting with major donors and supporting the development staff.
- f. At the request of the Chair, approve and signs contracts which the Foundation enters.
- g. When appropriate, serve as the official representative and spokesperson for the Foundation and its Board.

**Person responsible for the periodic review of policy - Board Past Chair**

## Section 3

### Board and Board Members

#### Section 3.04 - Board Chair Job Description

##### 3.04.01 Position Summary

The Chair is the Chief Executive Officer of the Idaho State University Foundation and presides at all meetings of the Board, the Executive Committee, and other meetings as required.

##### 3.04.02 Key Responsibilities

1. Works with the Executive Committee and the Board to establish the guiding principles, policies, and mission for the Foundation.
2. Works with the appropriate Foundation Staff and other officers to oversee the preparation of the budget and financial reports of the Foundation for presentation to the Finance Committee, Executive Committee and Full Board and works with the staff to make sure the Independent Accountants are granted full access and cooperation.
3. Leads and facilitates Board Meetings by making sure that the agenda is followed, every Board member has the opportunity to participate in discussions, and the Board uses proper decision-making procedures.
4. Unless otherwise specified, appoints all committee members to all committees.
5. In order to structure a committee system that contributes to the Board's overall effectiveness, serves as an Ex Officio member of all board Committees, except the Nominating and Audit Committees, with the understanding that attendance and participation may vary or be limited, due to scheduling.
6. The Board and Foundation's legal counsel and, unless otherwise specified, other consultant's report to the Chair.
7. Work with the University President and Vice President for Advancement to provide Board input into the various processes as well as to communicate funding limitations.
8. Along with the Board Past Chair, guides the work of the Board to secure donations and endowments for the Foundation by overseeing the development of fundraising policies, encouraging and supporting the fundraising efforts of the development committee, development staff and individual Board members, soliciting contributions from Board Members and major contributors, and setting an example by contributing his or her own funds to the Foundation.
9. Along with the Board Past Chair, when appropriate speaks for the Board and the Foundation in the event of a controversy or crisis; oversees the development of communications policies; and works to promote the work of the Foundation in conversations, speeches, interviews, and other day-to-day activities.
10. Sign all contracts and other legal documents into which the Foundation enters. This responsibility may be delegated by the Chair to any other Foundation officer on a case-by-case basis.

## **Section 3**

### **Board and Board Members**

11. Provide a report at each Board Meeting of his or her activities since the previous Board Meeting.
12. Perform any other duties that are necessary for the successful execution of the Foundation's mission.

**Person responsible for the periodic review of policy - Board Chair**

## Section 3

### Board and Board Members

#### Section 3.05 - Board Executive Vice President Job Description

##### 3.05.01 Background

The Executive Vice President of the Foundation (EXECUTIVE VICE PRESIDENT) is also the Vice President for University Advancement of Idaho State University. As mandated by the Idaho State Board of Education, certain functions formerly performed by the EXECUTIVE VICE PRESIDENT can no longer be performed by the EXECUTIVE VICE PRESIDENT and must be performed by officers of the Foundation who are not employed by the University. However, since the EXECUTIVE VICE PRESIDENT is the only officer of the Foundation who is not a volunteer, the EXECUTIVE VICE PRESIDENT still has significant responsibilities that are designed to make sure that the Foundation is fulfilling its mission.

##### 3.05.02 Responsibilities

1. Serves on the Executive Committee.
2. The EXECUTIVE VICE PRESIDENT is the primary representative of the University's leadership to the Board. In that regard the EXECUTIVE VICE PRESIDENT insures that the Board is fully conversant with the needs of the University and explains and represents the University's position to the Board and the other officers of the Foundation.
3. The EXECUTIVE VICE PRESIDENT, working with the Board Past Chair and Board Chair, is the day to day representative of the Board and the Foundation to the University's leadership. The EXECUTIVE VICE PRESIDENT explains the reason for Board actions and makes sure the Foundations activities are well coordinated with the University and represents the Foundation as appropriate to the larger University community.
4. Ensures that the Foundation's staff are responsive to legitimate requests from Foundation Officers and Board Members.
5. Works with the nominating committee to identify and recruit new Board Members.
6. Provides advice and assistance to the nominating committee as they identify candidates for the Foundation's Chair Elect and other officers.
7. Develops relationships with major donors.
8. When appropriate, serve as the official representative and spokesperson for the Foundation and its Board.
9. As long as not inconsistent with State Board of Education Policies, performs other tasks that the Board Past Chair and/or Board Chair request.

**Person responsible for the periodic review of policy - Executive Vice President of the Board**

## **Section 3**

### **Board and Board Members**

#### **Section 3.06 - Board Vice Chair Job Description**

##### **3.06.01      Responsibilities**

1. Prepares to assume the office of the Chair of the Foundation.
2. Fills the office of Chair should that office become vacant, and subsequently fills the office of Chair for a regular term as is entitled to the Chair-elect.
3. Assists the Board Chair in the execution of his or her duties.
4. Serves on the Executive Committee and other Committees as appropriate.
5. Provides a report at each Board Meeting of his or her activities since the previous board meeting.
6. Performs any other duties as assigned by the Chair of the Foundation.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 3**

### **Board and Board Members**

#### **Section 3.07 - Board Treasurer Job Description**

##### **3.07.01 Requirements**

1. Knowledge of the Foundation and personal commitment to its goals and objectives.
2. Understanding of financial accounting for nonprofit organizations.
3. When elected, the Board Treasurer must be a current Board member, or Emeritus Director, and after election becomes an Ex Officio board member. (See By Laws Sections 3.05 and 5.01).

##### **3.07.02 Responsibilities**

1. Serves as a financial officer of the organization and is an Ex Officio member of the Finance Committee.
2. Participates, with the Finance Committee, in the Board's review of and action related to the Board's financial responsibilities.
3. Works with the Managing Director to ensure appropriate financial reports are made available to the Board on a timely basis.
4. Assists in preparing the annual budget when needed and presenting the budget to the Board for approval.

**Person responsible for the periodic review of policy - Board Treasurer**

## **Section 3**

### **Board and Board Members**

#### **Section 3.08 - Board Secretary Job Description**

##### **3.08.01 Requirements**

- a. Knowledge of the Foundation and personal commitment to its goals and objectives.
- b. Have an understanding of the basic documents and procedures of the Foundation.
- c. When elected, the Board Secretary must be a current Board member, or Board Associate, and after election becomes an Ex Officio board member. (See By Laws Sections 3.05 and 5.01).

##### **3.08.02 Responsibilities**

The Board Secretary, with the assistance of the Executive Assistant of the Foundation, shall:

- a. Certify and keep at the principal office of the Foundation the original or a copy of the articles of incorporation and bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the Foundation, or at such a place as the Board may determine, a book of signed minutes of all meetings of the directors and meetings of committees that are authorized to take action on behalf of the Board: Executive and Investment Committee. Minutes shall record time and place of meeting, whether regular or special, how called, how notice was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. Ensure that all notices are duly given in accordance with the provisions of the bylaws or as required by law.
- d. Be custodian of the records and of the seal of the Foundation and affix the seal, as authorized by law or the provisions of the bylaws, to duly executed documents of the Foundation.
- e. In general, perform all duties incident to the office of Board Secretary and such other duties as may be required by law, by the articles of incorporation, or by the bylaws, or which may be assigned to him or her from time to time by the Board.
- f. Serves as an Ex Officio member of the Governance Committee.

**Person responsible for the periodic review of policy - Board Secretary**

## **Section 3**

### **Board and Board Members**

#### **Section 3.09 - Compensation of Board Members**

Board Members shall serve without compensation.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 3**

### **Board and Board Members**

#### **Section 3.10 - Board Member Expense Reimbursement**

Board Members are expected to bear all travel-related costs associated with attending Board Meetings, Committee meetings, or discharging other governance responsibilities assigned by the Chair of the Foundation. However, when a Board Member incurs costs associated with special travel such as visiting potential donors or for other activities at the request of the Foundation, appropriate receipts should be submitted to the Foundation for reimbursement by the Foundation. Alternatively, receipts may be submitted for the costs incurred and the Foundation will accept such as a donation and give credit for the amount expended.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 3**

### **Board and Board Members**

#### **Section 3.11 - Board Member Continuing Education**

Board Members are encouraged to keep informed on matters that affect the University and the Foundation as well as the latest developments in nonprofit governance, fundraising and other matters that are the responsibility of the Board. The Foundation will provide, at a minimum, the following opportunities for continuing education:

Periodically, prior to a Board meeting, the Executive Committee will conduct a new Board Member Orientation program.

7.

- a. In conjunction with the fall and spring Board Meetings at least one hour of continuing education will be made available to the Board, either as part of an agenda item or otherwise.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 3**

### **Board and Board Members**

#### **Section 3.12 – Special Rules of Order**

As permitted by Section 6.11 of the ISUF Bylaws, the Board has adopted the following special rules of order. Committees are free to use these rules as applicable. However, unless the rule applies specifically to a committee, a majority of the Committee members may waive compliance with it.

##### **3.12.01 Approval of Minutes**

After a Board meeting, if the Board is not scheduled to meet again within the next 90 days, the Executive Committee is authorized to approve the minutes of that meeting. Draft minutes (except for Executive Session minutes) should be distributed to the entire Board in the Executive Committee's monthly meeting package. This serves to provide Board members an opportunity to suggest changes to the Foundation's Secretary. Board members are to be informed, before approval, that Executive Session minutes are available for inspection in the Foundation office. The approval of the minutes by the Executive Committee does not prevent additional corrections being made, by means of a motion to amend something previously approved, at any subsequent Board meeting.

##### **3.12.02 Consent Agenda**

A consent agenda may be presented by the Chair at the beginning of a Board meeting. Items may be removed from the consent agenda on the request of any one Board member. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent agenda or placed later on the agenda at the discretion of the board.

##### **3.12.03 Correction of Clerical Errors in Policies & Definitions**

The Secretary is authorized to correct clerical errors and make conforming changes in Foundation's policies (including making sure numerical protocol within the Policy Manual is followed) and Section 10, Glossary, without the need for further approval from the Board, as long as the corrections do not change the meaning or constitute a substantive change to a policy. In addition, when the title for functions named in policies change, the Secretary may, without Board approval, change those titles to the new ones.

##### **3.12.04 Monitoring Legal, Regulatory and Policy Compliance**

In coordination with the University, the Foundation shall maintain a compliance checklist or calendar. At every Board and Executive Committee meeting, the Foundation's EVP shall report on the compliance program and shall highlight any areas of noncompliance or failure to meet deadlines for monitoring of compliance.

By the end of May each year, the EVP shall present to the Governance Committee, for their review, the proposed compliance checklist or calendar for the following fiscal year.

## **Section 3**

### **Board and Board Members**

#### **3.12.05        No Board or Executive and Investment Committee Action without a meeting**

The Idaho Code prohibits the Board and/or the Executive and Investment Committees from taking any action unless there has been a meeting with required notice given and a quorum present or unless 100% of all members agree in writing to the proposed action. Accordingly, neither the Board nor the Executive and Investment Committees will take action without a meeting or without 100% written agreement by all voting members. A meeting may be conducted by “any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting”.

#### **3.12.06        Assignments of Individuals Responsible for Annual Policies Reviews**

Section 2.07.01 requires that an individual be assigned to each policy or governance document and that the individual be responsible for conducting an annual review of that policy. The Governance Committee is responsible for periodically reviewing and updating assigned responsibilities, as considered necessary. The current name or the position of the individual assigned shall be appended to the individual policy, but the assignment is not considered part of the policy.

#### **3.12.07        Sabbaticals**

The Board has carefully considered having a policy to grant board members the opportunity to take a sabbatical or leave of absence. However, after legal research, it is determined that this is not a best practice and creates potential liabilities for both the Board and the member(s) wanting to take a sabbatical or leave of absence. Accordingly, the Board is unable to grant sabbaticals or leaves of absence. If a board member needs to leave the Board for a period of time, he or she may resign and if and when circumstances change, may be reconsidered for board membership again.

**Person responsible for the periodic review of policy - Board Chair**

*This section is reserved in case the Foundation directly employs the CEO.*

## Section 5

# Finance and Investments

## Table of Contents

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

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## Section 5

### Finance and Investments

#### Section 5.01 - Budgeting - Budget Process and Review

The budget process is designed to provide:

- a. A means by which spending limits are set based on expected revenue levels.
- b. A system to allow for procedures to compare actual results to the set spending limits.
- c. A means for setting priorities and allocating resources to those priorities.
- d. A means for comparison of actual financial results to budgeted amounts and analysis of differences from those budgeted amounts.

##### 5.01.01 Preparation of Budget

Prior to the spring Board meeting, the Board Chair, Board Treasurer, Director of Finance and Operations and other Foundation staff as appropriate shall prepare a budget for the next fiscal year.

##### 5.01.02 Approval of Budget

After preparation of the budget for the next fiscal year, copies of the budget, proposals for cost reductions, and proposals for cost increases shall be sent to the Finance Committee. After the Finance Committee makes revisions, if necessary, and approves the budget, it shall be submitted to the Board at their spring in-person meeting. The Board shall approve or reject the budget. If the budget is rejected, the Board shall direct the Board Chair and Board Treasurer to amend the budget for changes as directed by the Board.

##### 5.01.03 Review of Budget

Once the budget has been set for the fiscal year, the budget shall be included in the accounting system of the Foundation. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances (with detailed explanations) shall be reviewed periodically by the Finance Committee and the Executive Committee. The full Board shall also review the most recent year-to-date financial statements and budget variances (with detailed explanations) at each of their respective meetings. When deemed necessary, the Executive Committee may revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses. Any changes should be discussed at the next scheduled Finance Committee meeting, as well as, full Board meeting.

**Person responsible for the periodic review of policy - Finance Committee Chair**

## Section 5

### Finance and Investments

#### Section 5.02 - Debt

It is the policy of the Foundation Board that the Foundation will not incur any debt other than for normal accounts payable that is settled out of the current month's cash flow or for normal payments that are to be made to the University that are settled currently. In the extraordinary case where the Board is asked to waive this policy, it will consider doing so only after the following has occurred:

- a. A written request must be made to the Foundation that includes a detailed business case and cash flow analysis that shows how the debt and related interest and all other costs associated with the debt will be paid. In completing the cash flow analysis, only pledges that will be paid within a fixed time frame should then be considered.
- b. The written request must be signed, and the related support approved, by the Chief Financial Officer of the University as well as the University President.
- c. The written request and supporting documents will then be sent to the Finance Committee of the Board for their review. The Finance Committee will then prepare a written report to the Board that outlines the results of their review and recommendation.
- d. Before the request is submitted to the Board, for any proposal involving debt of over \$500,000, the Board Chair and University President will provide written assurance that the State Board of Education has been provided the opportunity to comment on the Foundation's incurrence of debt and all of the State Board's comments will be provided to the Board.
- e. The Board will not meet to discuss and vote on the request until at least two weeks after they have been provided, the report of the Finance Committee and the feedback, if any, from the State Board of Education.
- f. Before the final debt is approved, the Foundation must provide proof of notification to all significant pledge donors that the Foundation is incurring debt in contemplation of their pledge.
- g. The Board must have a second vote to approve the final loan documents.

Notwithstanding the above, this policy does not apply to debt existing at the date of its adoption that was incurred for the construction of the Stephens Performing Arts Center or for any subsequent modification or renewals of that debt.

**Person responsible for the periodic review of policy - Board Chair**

## Section 5

### Finance and Investments

#### Section 5.03 - Financial Controls

##### 5.03.01 Accounts

The Foundation shall maintain its checking and other bank accounts in financial institutions that are federally insured and should, to the extent possible, minimize amounts on deposit in excess of those insurance limits. However, the Bank should have a credit rating, on long term senior debt, of at least an A3 on Moody's or the equivalent on S&P. All funds received by the Foundation should be deposited promptly and within one week. The Foundation will not issue any credit, debit, or ATM cards. All funds that are not needed for current operations (180 days) shall be invested in accordance with the investment policy established by the Board.

##### 5.03.02 Authority to Sign

All orders of withdrawal, whether by check, wire transfer or any other means, shall first be submitted to the Executive Vice President or his/her designee for review. The purpose of this review is not to approve or authorize the transaction, but rather to provide the University with the opportunity to advise the Foundation if the expenditure would be in violation of the State Board or University policies or interfere with the University's plans and to submit any concerns to the Board. After the review, the request and appropriate documentation must be approved by the Board Chair, Vice Chair or Past Chair. Disbursements must bear the signature of one of the following officers:

- i. Board Past Chair
- ii. Board Chair (unless he has acted as approver in EXECUTIVE VICE PRESIDENTs absence)
- iii. Board Treasurer
- iv. Assistant Board Treasurer (who is selected from the Board Members or Emeritus Directors for this purpose).

In addition, the Managing Director, as defined in the Operating Agreement and Service Agreement, shall also be authorized to facilitate investment transactions as long as the transactions have been authorized in writing by the Investment Committee and are consistent with the Operating Agreement and Service Agreement, as amended (See Finance Committee Resolution dated 2.21.23)

- a) The use of a facsimile signature shall be deemed an authorized and acceptable alternative to a personal signature for checks under \$10,000. For checks issued in the amount of \$10,000 and greater the addition of one personal signature from any of the authorized signers as identified in section 5.03.02 a. shall be required.
  - i. The authorized check signer(s) will make disbursements only upon review and approval of the transaction. This will include review for the existence of proper supporting documentation, such as a purchase order and evidence of the receipts of the goods and services as well as the approval of the Executive Vice President or, if appropriate, the Board Chair. The Executive VicePresident or Board Chair's approval can be documented by means of signature or email.

## **Section 5**

### **Finance and Investments**

The requirement for proper supporting documentation also includes any disbursements to the University. The Foundation must maintain adequate documentation in its own files to show that the University has met the requirements for any disbursements to it. The supporting documents should also be canceled after the check signer approves.

- b) Any checks payable to any one of the authorized check signers shall be signed by someone other than the payee and all such checks should, along with explanatory comments, be presented by the Foundation's Finance Director to the Audit Committee at their regularly scheduled meetings.

#### **5.03.03 Deposits**

All mail should be opened by a person independent of any accounting function and all incoming cash receipts should be logged by that person before providing them to the Foundation's accounting department for processing. The log of daily cash receipts should be kept under the control of the person charged with preparing it and on a monthly basis the Foundation Accounting Manager should ascertain that the amount logged in as received agrees to the amount recorded in the Foundation's accounting system as well as the development system.

#### **5.03.04 Loans**

No loan may be made to any officer, director, or employee of the Foundation.

**Person responsible for the periodic review of policy - Finance Committee Chair**

## Section 5

### Finance and Investments

#### Section 5.04 - Investments

##### Investment Policies of the Idaho State University Foundation

###### 5.04.01 Preamble

It is the policy of the Board to treat all assets of the Idaho State University Foundation, including funds that are legally unrestricted, as if held by the Idaho State University Foundation in a fiduciary capacity for the sake of accomplishing its mission and purposes. The following investment objectives and directions are to be judged and understood in light of that overall sense of stewardship. In that regard, the basic investment standards shall be those of a prudent investor as articulated in applicable state laws.

###### 5.04.02 Investment Assets

For purposes of these policies, investment assets are those assets of the Idaho State University Foundation that are managed under Policies of the Investment Committee.

###### 5.04.03 Supervision and Delegation

The Board of the Idaho State University Foundation has adopted these policies and has formed an Investment Committee (the Committee), to whom it has delegated authority to supervise the Idaho State University Foundation investments. The Committee and its counselors will act in accord with this investment policy (hereinafter “policy”), and all applicable laws and state and federal regulations that apply to nonprofit agencies including, but not limited to, the Uniform Prudent Investors Act and the Uniform Management of Institutional Funds Act. The Board reserves to itself the exclusive right to amend or revise these policies.

###### 5.04.04 Investment Committee

See Section 9.05 for a description of the Investment Committee responsibilities.

###### 5.04.05 Investment Consultant, Advisors, and Agents

The committee is specifically authorized to retain one or more investment advisors (advisors), as well as any administrators, custodians, or other investment service providers required for the proper management of the Idaho State University Foundation’s funds. See Section 9.05 for further details.

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### Finance and Investments

#### 5.04.06 Objectives

The Idaho State University Foundation's primary investment objective is to preserve and protect its assets by earning a total return for each category of assets (a "fund"), which is appropriate for each fund's time horizon, distribution requirements, and risk tolerance.

#### 5.04.07 Tax-Based Restrictions

The Idaho State University Foundation is a charitable organization under § 501(c)(3) of the Internal Revenue Code. Consequently, its income is generally exempt from federal and state income tax with the exception of income that constitutes unrelated business taxable income (UBTI). The committee is to determine if a particular strategy or investment will generate UBTI, for which it may rely on advice of counsel. Since UBTI can be generated by leveraged investments (resulting in "debt-financed income"), the Idaho State University Foundation will not utilize margin, short selling, or other leveraged investment strategies unless the Investment Committee grants a specific exception. When granting exceptions, the Committee must determine that the potential rewards outweigh the incremental risks and costs of UBTI. All such exceptions shall be made in writing and shall be communicated to the Board as part of the next regular Investment Committee report.

#### 5.04.08 Reporting Requirements

Monthly — The Committee Chair will have the option to obtain written monthly custodial statements. Such statements should contain all pertinent transaction details for each account that holds all or a portion of any of the Idaho State University Foundation investment funds. Each monthly statement should include:

- a. The name and quantity of each security purchased or sold, with the price and transaction date; and,
- b. A description of each security holding as of month-end, including its percentage of the total portfolio, purchase date, quantity, average cost basis, current market value, unrealized gain or loss, and indicated annual income (yield) at market.
- c. In addition, if not included in the custodial reports, the consultant and/or the investment advisor(s) should provide a report for each fund or portfolio showing the month-end allocation of assets between equities, fixed-income securities, and cash. The monthly review of custodial statements may be delegated to the Idaho State University Foundation accounting staff.

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### **Finance and Investments**

Quarterly — The Committee should obtain from its investment consultant and/or investment advisors, a detailed review of the Idaho State University Foundation's investment performance for the preceding quarter and for longer trailing periods as appropriate. Such reports should be provided as to each fund and as to the Idaho State University Foundation investment assets in the aggregate. As to each fund, the committee should establish with its investment consultant and/or investment advisors the specific criteria for monitoring each fund's performance including the index or blend of indices that are appropriate for the objectives of each fund and for the investment style or asset class of each portfolio within a fund. The Committee shall meet with the consultant to conduct such reviews to the extent it deems necessary.

Periodically — The Committee should meet with its investment consultant at least annually to review all aspects of the Idaho State University Foundation's investment assets. Such a review should include:

- a. Strategic asset allocation,
- b. Manager and investment entity performance,
- c. Investment management expenses,
- d. Anticipated additions to or withdrawals from funds,
- e. Future investment strategies,
- f. Any other matters of interest to the committee.

**Person responsible for the periodic review of policy - Investment Committee Chair**

## Section 5

### Finance and Investments

#### Section 5.05 - Endowments and Endowment Spending

##### Endowments and Spending Policies

###### 5.05.01 Endowments

An endowment is established with a gift from the private sector, which comprises the corpus or principal of the endowment. The corpus is invested, and the income or the capital gain is used to fund a project or need. The corpus remains intact in perpetuity, thereby continuing to generate funds to be used by the institution. Endowments are divided into the following three categories:

###### a. Permanent endowments

i. Permanent endowments are sometimes referred to as "true" or "pure" endowments and are assets designated by the donor to be held in perpetuity. The corpus of these endowments may never be spent. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor. However, it must be recognized that the corpus may decline during unfavorable market conditions.

###### b. Term endowments

i. Term endowments are established when the donor specifies that the endowment shall terminate following a particular date or event and that the corpus of the endowment may be expended in accordance with the terms and conditions specified by the donor. Until the passage of the specific date or event, term endowments operate in a manner similar to permanent endowments with expenditures made in accordance with the conditions established by the donor.

###### c. Quasi-endowments

i. The University Administration may, with permission of the State Board of Education, set aside certain institutional funds and provide to the Foundation to be maintained as endowments and will specify the use of the assets and spendable income, and set other terms and conditions relating to the fund. The University Administration may change the terms and conditions of the endowment or terminate the endowment.

###### 5.05.02 Gifts to Establish Endowments

A written donative instrument should be provided for each new endowment fund established. This instrument would provide:

a. A statement providing that additions to the endowment from any other person or entity, unless prohibited, are made subject to the provisions of the donative instrument, and

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### Finance and Investments

- b. A statement that if, in the opinion of the Board of Directors of the Foundation, future circumstances change so that the purposes for which the endowment is established become illegal, impractical or no longer able to be carried out to meet the needs of Idaho State University or its Foundation, the Foundation Board may designate an alternative use for the endowment payout to further the objectives and purposes of Idaho State University, giving consideration to the donor's special interest as evidence by the original purpose of the endowment.

In cases where an endowment is established pursuant to a solicitation letter or document sent to the donor or donors that may be used as the instrument to evidence the donor intent and purposes.

The Idaho State Board of Education and Idaho State University reserves the right to establish the amount required for a permanent endowment for the naming of a college, department or other unit or academic position (i.e. chairs, professorships, lectureships, and fellowships). Accordingly, in no case will the Foundation accept an endowment for the naming of a college, department or other unit or academic position to be established without prior approval of the President of the University or his designee.

All endowments are subject to a Board established annual management fee which is currently 1 ½ percent. This fee is to be reviewed annually as part of the budget process.

#### 5.05.03 Fiduciary Responsibility

The Board of Directors of the Idaho State University Foundation has a fiduciary responsibility to comply with the restrictions imposed by the donors of endowment funds. The Directors also have a legal responsibility to ensure that the management of endowment funds is in compliance with all laws and regulations.

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Rule" which states that the investment manager may trade and retain investments..."that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment."

## Section 5

### Finance and Investments

#### 5.05.04 Donor direction of Investment Policy

Without specific approval of the Foundation Board, no endowment shall be accepted in which the donor directs the investment transactions or holdings or may approve investment policy or strategy. The endowment fund shall be under the sole control of the Board of Directors of the Foundation acting through the Investment Committee pursuant to its Investment Policies. Furthermore, it is the specific and strong preference of the Foundation's Board of Directors that all endowment gifts are eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

#### 5.05.05 Relative Fair Value of Endowments

The value of each commingled endowment fund shall be calculated based upon its relative market value to the total market value of the endowment. Income under the policy statement's spending policy should be calculated on its relative portion of the applicable investment portfolio.

#### 5.05.06 Distribution Policy for Endowments

The Idaho State University Foundation Board of Directors recognizes the need for spendable income by the beneficiaries of the endowment funds under their custodianship. The following distribution policy reflects an objective to distribute as much total return as is consistent with the Foundation's overall investment objectives, defined in its investment policies. The policy also outlines the methods used in making the distribution and in establishing the distribution rate:

- a. An endowment should be excluded from the target distribution until the endowment has been established for one year.
  - i.
- b. If the donor has specifically stated, in the gift instrument, the amount and timing of disbursements to be appropriated from a particular endowment, the donor intent will be honored.
  - ii.
- c. In most cases the gift instrument is either silent or leaves it to the Foundation to determine an appropriate distribution rate. In such circumstances the Idaho enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) directs that the following factors, if relevant, be considered:
  - i. The duration and preservation of the endowment fund;
  - ii. The purposes of the institution and the endowment fund;
  - iii. General economic conditions;
  - iv. The possible effect of inflation or deflation;
  - v. The expected total return from income and the appreciation of investments;

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### Finance and Investments

- vi. Other resources of the institution; and
- vii. The investment policies of the institution.

d. Each fall the Finance Committee, will consult with University Officials, the Investment Committee and others that it deems necessary, to appropriately consider the factors specified by UPMIFA. The Finance Committee will report to the Board, during its fall meeting, the results of their review and consultations. This report will also recommend an annual distribution rate. The distribution rate, for the upcoming fiscal year, will then be decided by the Board at that fall meeting.

- iii.

e. It is expected that the distribution rate approved by the Board will be between 3 to 6 percent of the average fair market value of the individual endowment for the preceding 12 quarters.

- iv.

f. Distributions shall be made monthly by removing the amount from the endowment to the restricted expendable classification, as soon as practicable, after the last calendar day of each month. This distribution amount shall be recalculated each year based on a 12 quarter rolling average of the fair market value of an endowment multiplied by the approved distribution rate.

- v.

g. From time to time, application of this policy may result in the fair market value of assets associated with individual endowment funds to fall below the historical contribution value. While this is acceptable under UPMIFA, it may be prudent to curtail distributions from those endowments in certain circumstances.

- i. An endowment's fair market value falls below the historical contribution value by more than 10 percent but less than 20 percent
  - Remediation - the distribution rate should be 2 percent until such time as the fair market value equals or exceeds the historical contribution value.
- ii. The fair market value falls below the historical contribution value by 20 percent or more
  - Remediation - distributions will be suspended until such time as the fair market value equals or exceeds the historical contribution value.
- iii. To ensure good donor relations no curtailment should occur on endowments of more than \$100,000 without a discussion with the donor, or their representative. This discussion is under the direction of the Executive Vice President of the Board of Directors. In the absence of a donor or representative the above curtailment distribution formulas shall be followed. If, as a result of the discussion, a new agreement is reached with the donor or their representative, it should be documented as an addendum to the gift instrument. Accordingly, this policy encourages such discussion on a curtailment-of any endowment which has a historical contribution value of over \$100,000.

**Person responsible for the periodic review of policy - Executive Vice-President**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the  
October 24, 2025 Board of Directors meeting.

## **Section 5**

### **Finance and Investments**

#### **Section 5.06 - Gift Assessment**

This policy has been jointly adopted by Idaho State University and the Idaho State University Foundation.

##### **5.06.01 Policy**

The assessment fee will be applied according to the following guidelines:

- a. This assessment applies to all cash gifts. An assessment will be levied on all gifts received by Idaho State University or the Idaho State University Foundation. The amount of this assessment will be established each spring by the University and the Foundation in conjunction with the annual budget process. However, in order to avoid donor confusion, changes should be very rare. Except as provided in Section 5.06.01 e, this assessment applies to all cash gifts. It will not apply to grants from state and federal governments or to contracts.
- b. Non-cash gifts (gifts in kind) will not be subject to the fee.
- c. Donors will receive credit for the full amount of their gifts.
- d. Charitable trusts and bequests (all planned gifts) will be assessed at the time they are realized.
- e. In cases where the donor (individual, corporate or foundation) refuses to contribute to indirect costs, the unit receiving the gift will have the option of paying the appropriate fee from other departmental sources. Alternatively, in rare instances, the University President may request that the Executive Committee of the Board waive the assessment.
- f. Outside scholarship gifts following specific students and sent directly to the scholarship office will not be assessed.
- g. This policy will be reviewed periodically.

##### **5.06.02 Responsibilities of Idaho State University Units and of the Idaho State University Foundation.**

- a. Units will be responsible for:
  - vi. Submitting each gift to the Idaho State University Foundation for processing in accordance with Foundation and University policies and procedures.
- b. The Idaho State University Foundation and University will be responsible for:
  - i. Using the revenues generated by the fee to provide better services and additional fundraising resources for the entire University community.
  - ii. Providing stewardship reports including investment information to all donors.
  - iii. Disclosure of Foundation policy

#### **Responsible for the periodic review of policy - Board Chair**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 5**

### **Finance and Investments**

#### **Section 5.07 - Financial Audits**

In order to ensure financial accountability, the Idaho State University Foundation will have its financial statements audited by an independent auditing firm on an annual basis. The firm selected should have a significant portfolio of not for profit clients. The selection of the firm to conduct the audit will be made by the Audit Committee, but any change of firm will be submitted to the full Board for ratification. The auditor's report, management letter, and IRS Form 990 (and 990T if necessary) will be presented to the Audit Committee for approval. A copy of the audited statement will be distributed to the full Board. The audited financial statements and the public disclosure copy of Form 990 (and 990T, if necessary) will be posted on the Foundation's web site and by that means is made available to anyone.

**Person responsible for the periodic review of policy - Audit Committee Chair**

## **Section 5**

### **Finance and Investments**

#### **Section 5.08 - IRS Form 990**

The Foundation's Managing Director shall ensure that tax payments and other government-ordered payments or filings are filed in a timely and accurate manner.

The Foundation's Treasurer shall sign and certify that the IRS Form 990 (and 990T if necessary) is accurate and complete.

The Audit Committee shall review and approve the IRS Form 990 (and 990T if necessary) annual tax filing prior to submission, and the full board shall be provided a copy of the unredacted version before it is filed with the IRS. Anyone receiving an unredacted copy should be reminded that it may contain sensitive donor information, in both the emails sending the copy and any downloaded file should be deleted after it is no longer needed.

Consistent with the requirements of §6104(d) of the Internal Revenue Code and the regulations there under, copies of the organization's Form 990 (and 990T if necessary) shall be made available to any individuals who request it by referring them to the Foundations website or providing them with a copy, without charge, if they indicate they do not have website access.

**Person responsible for the periodic review of policy - Audit Committee Chair**

## **Section 5**

### **Finance and Investments**

#### **Section 5.09 - Risk Management**

##### **5.09.01 Insurance**

The Idaho State University Foundation will purchase necessary policies to insure the organization against risk of loss or claims or determine that coverage is provided by the State of Idaho or University. Among the areas of insurance coverage to be purchased or provided are the following:

- a. Employee theft and dishonesty (crime coverage)
- b. General liability (including real and personal property coverage)
- c. Directors, Officers, and Entity liability coverage
- d. Employment Practices liability coverage
- e. Fiduciary liability coverage

Such other insurance coverage and indemnification provisions as are or may become generally prudent and accepted for non-profit organizations of the size and nature of the Foundation.

**Person responsible for the periodic review of policy - Board Legal Counsel**

## **Section 6 Fundraising**

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## **Section 6**

### **Fundraising**

#### **Section 6.01 - Board Member Fundraising**

Board Members are expected to give an annual monetary gift to the Idaho State University Foundation and are asked to make the Idaho State University Foundation a priority in their personal giving. Board Members are expected to initiate and be involved in fundraising using their personal and business connections when appropriate, soliciting funds when appropriate, serving on fundraising committees, and attending and if possible sponsoring or hosting fundraising events.

**Person responsible for the periodic review of policy - Board Executive Vice President**

## **Section 6**

### **Fundraising**

#### **Section 6.02 - Donor Relations**

The Donor Bill of Rights was created by the Giving Institute: Leading Consultants to Non-Profits [formerly known as the American Association of Fund Raising Counsel (AAFRC)], Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous other nonprofit associations, and many charities incorporate it into their operating policies and procedures. The Idaho State University Foundation's Board of Directors has adopted the Bill of Rights as its policy.

#### **THE DONOR BILL OF RIGHTS**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities
3. To have access to the organization's most recent financial statements
4. To be assured their gifts will be used for the purposes for which they were given
5. To receive appropriate acknowledgement and recognition
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature
8. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share
10. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers

**Person responsible for the periodic review of policy - Board Executive Vice President**

## **Section 6**

### **Fundraising**

#### **Section 6.03 - Gift Acceptance**

##### **6.03.01      Introduction**

The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within the Idaho State University Foundation concerned with planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of gifts.

These policies must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations, as long as such situations and expectations are consistent with the Idaho State University Foundation's mission and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the appropriate staff and/or committee of the Board along with legal counsel and the full Board if necessary.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the Chair, Executive Vice President and the Executive Director of Development in conjunction with the appropriate staff, and are subject to approval by the Board.

The Board, through the Development Committee and the Board Chair, is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived.

##### **6.03.02      Gift Acceptance Policy**

- a.      Unrestricted, outright gifts of cash, check, credit card, and publicly traded securities do not require approval.

Unrestricted gifts shall be encouraged unless:

- i.      The donor indicates that he or she is only willing to make a restricted gift or,
- ii.     The option of a restricted gift will otherwise significantly increase the chances of obtaining a gift from the donor.

- b.     In drafting instruments for the gift of restricted funds to the Idaho State University Foundation, or to any of its affiliated organizations, donors and their advisors shall be encouraged to use language that would permit application of the gift to a more general purpose if, in the opinion of the board, the designated purpose is no longer feasible.

- c.     All receipts from unrestricted bequests, annuities, charitable remainder trusts, or charitable lead trusts shall be deposited in an unrestricted account within the general endowment, unless the Executive Committee determines a particular

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### Fundraising

unrestricted gift of the type enumerated in this paragraph should be deposited in a different account.

- d. Gifts will only be accepted where there is charitable intent on the part of the donor. The Idaho State University Foundation is unable to accept gifts that are overly restrictive in purpose. The most desirable gifts are those with the least restrictions, as unrestricted funds allow the Foundation and University to address its most pressing needs. Unless the Board grants a specific exception, the Idaho State University Foundation will not accept any gifts that:
  - i. Contain a condition that requires any action on the part of the organization that is unacceptable to the Foundation, University Administration or the State Board of Education,
  - ii. Contain a condition that the proceeds will be spent by the organization for the personal benefit of a named individual or individuals,
  - iii. Require the University or the Foundation and their administration to employ a specified person now or at a future date,
  - iv. Inhibit the organization from seeking gifts from other donors,
  - v. Expose the organization to adverse publicity, litigation, or other liabilities,
  - vi. Require undue expenditures, or involve the organization in unexpected responsibilities because of their source, conditions, or purpose,
  - vii. Involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.
- e. The Idaho State University Foundation will not pay commissions or finder's fees as consideration for directing a gift to the Idaho State University Foundation or to any of the Idaho State University Foundation's affiliates.
- f. Property encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by the Idaho State University Foundation or the University in its programs but only after all tax considerations have been fully explored and documented. All such exceptions must also have the approval of the Board and if material notification must be given to the State Board of Education.
- g. Associated expenses of a gift made to the Idaho State University Foundation are to be borne by the donor unless approved by the Chair. Donors of property gifts of over \$5,000, except for gifts of publicly traded stock, must obtain, at their expense, an appraisal by a qualified independent third-party appraiser in accordance with current tax law requirements.
  - a.
- h. Should the Idaho State University Foundation sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), valued at

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over \$5,000 within three years after the date of the gift, the Idaho State University Foundation will furnish the Internal Revenue Service and the donor with a completed Form 8282, if required by IRS regulations.

- i. To avoid conflicts of interest, the unauthorized practice of law, the rendering of investment advice, valuation advice, or the dissemination of income or estate tax advice the Idaho State University Foundation will require that:
  - b.
    - i. All donors of noncash gifts must be advised that the Idaho State University Foundation is not acting as a professional investment or legacy advisor. Any information concerning gift planning provided by the Idaho State University Foundation shall include language, approved by counsel retained by the Idaho State University Foundation, which clearly indicates that information is for illustrative purposes only.
    - ii. Legal counsel retained by the Idaho State University Foundation shall, when directed by the Foundation's Chair or Executive Committee, review and approve all forms utilized by the Foundation or its staff to accept or document any "in kind" gift, any cash gift, any pledge of gift or any gift of purported monetary value to insure that they adequately demonstrate that the donor was advised that the Idaho State University Foundation is not acting as a professional advisor and that the donor was encouraged to seek advice of qualified attorneys or accountants and that the donor had sufficient opportunity to do so.
    - iii. Legal counsel retained by the Foundation shall, when directed by the Foundation's Chair or Executive Committee, review and be consulted about all templates, legal documents, contracts, or donor agreements for gifts, pledges, or planned gifts of any kind with a value in excess of \$25,000 which are not documented upon previously reviewed templates, or which involve material changes to a regularly utilized template, or which require affirmative action by the Foundation or impose duties upon the Foundation beyond those commonly associated with management and distribution of the gift or endowment.
    - iv. All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.
    - v. The Board Chair or his or her designee is authorized to enter into planned gift agreements on behalf of the Idaho State University Foundation and to execute any and all documents necessary or appropriate to consummate such agreements. All gifts and gift considerations must meet all applicable local, state, and federal laws and regulations.
  - j. The Idaho State University Foundation will be responsible for implementation and maintenance of a good stewardship plan, subject to review of the Development Committee as needed.

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### **Fundraising**

C.

- k. Gifts to the Idaho State University Foundation and accompanying correspondence will be considered confidential information, with the exception that absent a request for confidentiality, the donor's name may be included in the publication of such donor recognition societies as may from time to time be established by Idaho State University or the Board. All donor requests for confidentiality will be honored to the extent allowed by law.
- l. Names of donors will not be provided by the Idaho State University Foundation to other organizations, nor will any lists be sold or given to other organizations except those affiliated with the Foundation and University.

**Person responsible for the periodic review of policy - Executive Vice President**

## **Section 6**

## **Fundraising**

### **Section 6.04 - Acceptance of Real Estate Gifts**

#### **6.04.01      Introduction**

The Foundation may accept gifts of real estate, both improved and unimproved, in accordance with the guidelines outlined in this Policy. Unless specific Board approval is required by the guideline, deviations from these guidelines may be authorized by the Board Past Chair and/or the Board Chair with notification of the deviations given to the Executive Committee and the full Board at their next regularly scheduled meetings. In addition to the guidelines contained in this policy, the State Board of Education may from time to time make rules and regulations governing the acceptance or utilization of real estate. It shall be the responsibility of the Executive Director of Development to ascertain that all such policies and rules are adhered to before the acceptance of any gift of real estate. Rules or policies of the State Board of Education may not be waived except by the State Board of Education.

Generally, the Foundation will attempt to sell any property received as a gift at a reasonable price, as reflected by the current market as soon as possible and normally within two years. However, all gifts of property will be reviewed on a case-by-case basis and may be considered for longer retention if market conditions warrant it or if the University might have a future use of the property. The Managing Director shall present, in writing, a description of all real estate held by the Foundation and a summary of its current disposition at each regularly scheduled Board Meeting.

#### **6.04.02      Guidelines**

- a. The Foundation may require the following information in order to consider acceptance of a gift of real property:
  - i. An American Land Title Association (ALTA) insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issued by a reputable title insurance company;
  - ii. An appraisal, prepared in accordance with standards established by the Appraisal Institute, by a qualified appraiser;
  - iii. A phase one environmental audit by a qualified engineer indicating that ownership will not expose the Foundation to environmental liabilities;
  - iv. At the election of the Foundation, a market feasibility study for the property;
  - v. ALTA survey of the property by a registered land surveyor;
  - vi. Evidence of compliance with the Americans with Disabilities Act (when applicable);
  - vii. A structural engineering report (when applicable);
  - viii. A review of leases (for income producing property);
  - ix. A disclosure statement for residential property (when applicable);

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- x. A radon report (when applicable) issued by a qualified engineer;
- xi. A transfer of all mineral and water rights.

- b. Real estate encumbered by a mortgage or other indebtedness cannot normally be accepted as a gift unless the donor agrees to assume all carrying costs until the property is liquidated. Exceptions to this guideline can be made when the value of the property exceeds the anticipated exposure, or will produce income, or will be used by the Idaho State University Foundation or the University in its programs but only after all tax considerations have been fully explored and documented. All such exceptions must also have the approval of the Board and if material notification must be given to the State Board of Education.
- c. Real estate gifts that will entail the Foundation operating a business cannot be accepted without Board approval and, if material, notification provided to the State Board of Education.
- d. Current State Board of Education policies clearly require that: "Foundation controlled resources may not be used to acquire or develop real estate or to construct facilities for the University's use without prior State Board approval. If determined in its best interests, the University will submit any proposal to use resources in the manner described herein to the State Board in accordance with State Board policies and procedures, and when appropriate, to the Idaho Legislature."
- e. Gifts of real estate are also subject to all applicable provisions of Section 6.03 Gift Acceptance especially in regards to valuation, tax and legal matters and processes.

**Person responsible for the periodic review of policy – Development Committee Chair**

## **Section 6**

### **Fundraising**

#### **Section 6.05 - Naming Opportunities and Donor Recognition**

##### **6.05.01      Introduction**

The Idaho State University Foundation seeks to recognize the generosity and commitment of individuals, corporations, foundations, trusts and other organizations that support the mission of the University. The proper recognition of donors for their support of the University is important in the advancement process. Effective donor recognition can encourage additional gifts and prompt others to contribute. In addition to the Foundation, donor recognition activities are the responsibility of numerous Departments and Colleges of the University. The Foundation Board is only authorized to establish policies for activities conducted by Foundation staff or funded by Foundation resources.

While the Foundation is not responsible for the policy governing the naming of University facilities, programs or positions, the Board has been asked by University officials, from time to time, to provide suggested guidance. This policy outlines those suggestions.

##### **6.05.02      Naming Opportunities Suggestions**

###### **General Guidelines**

- d. Due to the sensitive nature of naming major facilities or programs for donors, we believe that any proposal to a potential donor that includes a naming opportunity should be cleared by the Vice President of Advancement of the University before it is presented to the donor. The Vice President of Advancement should be satisfied that the naming meets University standards and will be approved by the University naming committee as well as by the State Board of Education.
- e. No naming should be approved or (once approved) continued that will call into serious question the public respect of the University. Individuals and organizations whose names are approved should be expected to exemplify the attributes of integrity and civic leadership. Should a donor, for whom a university naming opportunity has been made, violate these standards, the University should consider removing the donor's name from the naming opportunity. All contracts for naming should have specific provisions that deal with any such issues.
- f. No names should be approved that will imply the University's endorsement of a partisan political or ideological position. This does not preclude a naming with the name of an individual who has at one time held public office or with the name of an individual or a company that manufactures or distributes commercial products.
- g. When named recognition has been extended for a gift received, it should be honored for the life of the contract. The contract should include all the terms and conditions, including the process to be followed in the event of changed circumstances. This is especially important for contracts that are anticipated to provide naming in perpetuity.

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- h. Certain naming opportunities lend themselves to short term yearly payment sponsorships and they should be considered. Provided there are no contract violations the University should honor the name for that period of time, subject to renewal of the opportunity.
- i. The method of payment for a naming opportunity should be carefully matched to the type of activity or facility being funded. Donations associated with naming proposals can be made by the donor in cash or appreciated property, through legally binding pledges fulfilled within no more than five years, or by the creation of an endowment. Individual donors may gift a portion of their contribution through an irrevocable trust or a contractual bequest mechanism. The University should contractually reserve the right to remove the naming opportunity when pledges are suspended or remain.
- j. Donations made through irrevocable deferred gift techniques (including, but not limited to charitable gift annuities, deferred pledge agreements, or wills) should generally not be accepted in instances when private funds are needed to pay for current building projects or other activities and accordingly the donor should be presented with other opportunities. A naming opportunity may, however, be accepted for existing, unnamed opportunities not requiring major remodeling or renovation.

#### 6.05.03 Negotiating Named Recognition for Philanthropic Donations

- a. It should be the responsibility of individuals negotiating on behalf of the University to consult with the Vice President of Advancement when gifts involve a proposal to name.
- b. It should be the responsibility of individuals negotiating on behalf of the University to advise potential donors that the acceptance of any philanthropic donation involving a proposal to name is conditional upon final approval of the naming by whatever process the University and/or the State Board of Education requires.
- c. In negotiating with donors, deans/directors and development officers should ensure that donors understand that even when a physical space or fund will be named for them, they do not control the details of the administration and application of gift details including construction, furnishings, the selection of candidates, how the facility will be utilized, etc.
- d. All name recognition should have a legal contract clearly stating the length of the naming and all other items such as terms of payment and recognition.

#### 6.05.04 Naming of Physical Facilities

We recommend that a building or physical facility only be named for a donor in cases where the donor's gift provides at least fifty (50%) percent of the total cost of construction that is raised through private donations or \$1 Million, whichever is greater. In special cases an amount higher than \$1 Million might be established because of the visibility, cost or importance of the building. It is critical that the estimated cost of the construction be carefully developed with appropriate inflation factors and contingencies considered and that the estimate be carefully

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reviewed by someone independent of the estimate's preparation. Naming opportunities should be carefully developed for the individual components of the building in order to raise the remaining fifty (50%) percent of the total cost.

#### 6.05.05 Removal or Change of Name

The University should retain the right, in consultation with the donor, to change the name of a building, space, facility or endowment if, for example, a corporate donor has itself changed its name, or marital donors have divorced or separated. The naming contract should specify details for this procedure including terms for the rename and re-brand process as well as who will cover the costs.

#### 6.05.06 Portions of Existing Facilities

Existing un-named parts of buildings or facilities might be named for donors in cases where substantial gifts are made by donors to endowments or programs carried on within these facilities.

#### 6.05.07 Renovations

In cases of major renovation that extend throughout a building or facility that has not been previously named for someone, the facility might be named for the donor, provided the donor's gift covers at least fifty (50%) percent of the renovation cost. No change should be made to the name of a building if it is named for a previous donor without that donor's consent, unless it can be changed by terms of the donor agreement.

#### 6.05.08 Named Laboratories, Classrooms and Lounges

While no exact dollar amount can be proposed, the University should carefully consider developing naming opportunities in existing buildings based upon their visibility, importance, or cost. All such naming opportunities should be reviewed by the Vice President of Development to ensure consistency of methodology and reasonableness.

#### 6.05.09 Other Features

Donor names proposed for fountains, ornamental buildings, landscaping, trees, benches and similar features should normally require a gift to cover the full cost of the project and a maintenance fund.

#### 6.05.10 General Policy on Endowed Funds

An endowment fund may be contributed and named for an individual or organization donor, or a specific honoree, to provide a permanent source of

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funding for restricted or unrestricted purposes as specified by the donor. Record keeping for an endowment can be complicated and costly to the Foundation and, accordingly, the minimum amount to establish an endowment should be \$10,000 or greater. A donor may be allowed up to three years to complete the \$10,000 gift. Amounts donated during the period of time to achieve the \$10,000 endowment will receive a proportionate share of the investment income allocation. However, no expenditure will be made from the endowment until the full \$10,000 is received. At the time that \$10,000 has been donated, the endowment will be subject to the Foundation's normal endowment spending policies. If, at the end of three years, the full \$10,000 gift is not completed, any amounts donated plus investment income should become unrestricted assets of the Foundation.

In addition, a program or department should not be named for a donor unless the donor's gift makes a substantial impact on the scope and quality of the program or department being named.

#### **6.05.11 Chair Endowment**

The amount needed to fully fund a Chair will usually vary from department to department or from college to college. The expendable income from a Chair endowment (determined in accordance with the University's policy on endowment income and expenditures) should be sufficient to pay the appointee's full initial term and prospective reappointment salary and benefits. In addition, whenever possible, the amount should also include an expense allowance for general secretarial, research, and research and appointment-related travel costs.

#### **6.05.12 Named Professorship Endowments**

The amount needed to fund a named professorship will also usually vary. The expendable income from a Named Professorship endowment (determined in accordance with the University's policy on endowment income and expenditures) should be sufficient to pay at least one-half of the appointee's initial term and prospective reappointment full salary and benefits. In addition, whenever possible, the amount should also include a contribution to an expense allowance for general secretarial, research, and research and appointment- related travel costs.

#### **6.05.13 Naming when no donor gift is involved**

The naming of the University's facilities and programs is a valuable tool to recognize significant philanthropy and we believe that naming items, without an appropriate donation, should be an unusual occurrence. In the rare instance, when no donor gift is involved we recommend the following:

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- a. It should honor a person who has achieved unique distinction in higher education and other significant areas of public service, or who has served Idaho State University in an academic capacity and has earned a national or international reputation as a scholar, or has made extraordinary contributions to Idaho State University in an extraordinary manner that warrants special recognition, or who has served Idaho State University in an administrative capacity and who, during administrative service, made extraordinary contributions to Idaho State University which warrant special recognition. The extraordinary service should be recognized as such throughout the State of Idaho and such service should be recognized by the University's many constituents.
- b. When a proposal for naming in honor of an individual involves service to the University in an academic or administrative capacity, a proposal shall not be made until the individual has been retired or deceased for at least five years.
- c. No more than one facility or property at the University should be named after any one individual unless they are donors.
- d. No facility or property should be named after seated, elected or appointed officials.

#### 6.05.14 Donor Recognition Policy

Policies governing the routine providing of tax receipts to donors and other acknowledgements are covered in other Fundraising policies and are not repeated here. This section deals with those donor recognition activities that are not clerical in nature.

The donors to our Foundation have made substantial sacrifices in providing the Funds that have helped advance the University in many ways. Those donors have a right to be properly acknowledged and the Foundation has a moral obligation to do so. In addition, a systematic program of acknowledging the philanthropic support of our donors has the potential of enhancing the generosity of alumni and friends of the University. In this context, all members of the University share in the obligation to properly recognize our donors. The following practices will serve to enhance donor recognition activities:

- a. It is the responsibility of the Development Officers to work with their Schools/College and units to make sure that our donors are thanked through letters and/or telephone calls from administrators, faculty, students, fellow alumni and others. The receipt of grants, scholarships and other financial assistance should be contingent on receiving the cooperation of the recipient in providing donor recognition, whenever possible. Cooperation should also be a factor to consider in awarding discretionary renewals or other grants or assistance. Development Officers should make sure that major donors are thanked through stories in newsletters and other publications that focus on the difference that the Donors have made. Whenever possible donors should be hosted on campus or at other events and activities, as appropriate, in order for

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### Fundraising

them to see the positive difference their contributions have made. Of course, donors' wishes as to anonymity and privacy must be respected.

- b. It is the responsibility of the Development Officers to work with their Schools/College and units to make sure that they are taking care to avoid providing quid pro quo premiums to donors. The Internal Revenue Service has specific guidelines limiting the practice of providing donors with "gifts" or "premiums" in return for a charitable contribution. Accordingly, the Development Officers should obtain clearance from the Executive Vice President or the Executive Director of Development prior to the initiation of such practices.
- c. The Board believes that in order to avoid embarrassment and duplication of effort all donor recognition activities and events should be carefully coordinated whether they are conducted by the University's Alumni Association, the University's Athletic Department or individual Schools/College or other units. It is therefore the policy of the Foundation Board that all Development Officers coordinate all donor recognition with the University Advancement office and, to the extent that the other departments such as alumni and athletics are willing, work closely with them to make sure that all recognitions are particularly meaningful to the donor.
- d. Often donors are engaged with multiple areas of the University and a specific unit's stewardship may have an impact on another unit's relationship with the donor. The Foundation's Development Officers are charged with knowing their donors and potentials donors and if other units in the University have or plan on having relationships with that Donor, all contacts should be carefully coordinated with the other unit's Development Officer even though the other Development Officer maybe working for the University's Athletic or other department that is not directly associated with the Foundation. The Foundation's Development Officers are charged with developing an appropriate method of recognizing the donor that is best for the University and that donor even though it may not be best for a particular department. (This philosophy should govern all our relationships with Donors.) In the unlikely event that the Development Officers cannot develop a mutually satisfactory approach, the case should be referred to the Associate Vice President for Development for matters within the Foundation or to the Vice President for Advancement for matters dealing with other University departments for resolution.
- e. While donor recognition and donor cultivation activity may require the incurrence of legitimate expenses, good stewardship requires that all expenses of the Foundation are carefully controlled and are not excessive. Excessive expenditures for donor recognition can also be counterproductive in that donors may believe that they are an indication that their donations are being wasted. Experience has shown that some of the means to honor donors, that are most appreciated by the donors, require little or no expenditures of funds. Accordingly, Foundation funds should only be expended for reasonable expenses in accordance with Foundation and University policies, and should not be used for expenses that are lavish or excessive. Proposed budgets for all donor recognition and cultivation expenditures including travel, gifts, plaques, banquets, Board dinner and other events should be prepared annually and discussed with the Development

## **Section 6**

### **Fundraising**

Committee and then submitted to the Finance Committee as part of the annual budget process. The Finance Director should carefully monitor such expenditures and report any budget overruns or expenditures that violate Foundation or University policy to the Executive Committee.

**Person responsible for the periodic review of policy – Development Committee Chair**

## **Section 7**

### **Personnel**

*This section is reserved in case the Foundation directly employs individuals instead of contracting with the University.*

## **Section 8 Communications**

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The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 8 Communications**

### **Section 8.01 - Media Relations**

To ensure the quality and consistency of information disseminated to media sources, the Board has adopted the following policy:

1. All media inquiries are to be handled by the Board Past Chair, Chair or Executive Vice President or their designee, regardless of who the media representative is, whom he or she represents, or how innocuous the request.
2. All press releases or other promotional materials are to be approved by the Board Past Chair, Chair or Executive Vice President or their designee prior to dissemination.

**Person responsible for the periodic review of policy - Executive Vice President of the Board**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 8**

### **Communications**

#### **Section 8.02 - Electronic Media**

A website has been established to provide access to Foundation information to the general public and a means of making contributions. The website will be updated on a regular basis. Information and updates should be posted only after approval from the Executive Vice President or the Executive Director of Development or their appointee. They will ensure information is systemically updated and safeguards are in place to provide reasonable assurance to protect information and web processes, in coordination with Idaho State University Marketing and Communications practices.

**Person responsible for the periodic review of policy - Executive Vice President of the Board**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 8**

### **Communications**

#### **Section 8.03 - Lobbying and Political Activity**

The Idaho State University Foundation encourages individual participation in civic affairs. However, as a charitable organization, the Idaho State University Foundation may not make contributions to any candidate for public office or political committee and may not intervene in any political campaign on behalf of or in opposition to any candidate for public office.

We therefore:

1. Refrain from making any contributions to any candidate for public office or political committee on behalf of the Idaho State University Foundation.
2. Refrain from making any contributions to any candidate for public office or political committee in a manner that may create the appearance that the contribution is on behalf of the Idaho State University Foundation.
3. Refrain from using any organizational financial resources, facilities, or personnel to endorse or oppose a candidate for public office.
4. Clearly communicate that we are not acting on behalf of the organization, if identified as an official of the Idaho State University Foundation, while engaging in political activities in an individual capacity. We never engage in such activity except before or after hours or when we are on leave or vacation.
5. Refrain from engaging in political activities in a manner that may create the appearance that such activity is by or on behalf of the Idaho State University Foundation.

**Person responsible for the periodic review of policy - Executive Vice President of the Board**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

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## **Section 9.01 - Executive Committee**

### Executive Committee Charter

#### 9.01.01 Charge

The Executive Committee is responsible for working in support of, or occasionally on behalf of, the full Board.

#### 9.01.02 Scope of Authority and Lines of Accountability

The Executive Committee serves at the pleasure of the full Board. The Board Chair will lead the Executive Committee through the Agenda. The committee shall consist of the elected officers of the Foundation Board, the Board Executive Vice President (non-voting) and two or more additional voting Board members selected by the Board. The Executive Committee shall meet telephonically once a month (unless a meeting is waived by a majority of the Committee) or more often if necessary. A week before all Committee meetings an agenda and minutes of the prior meeting shall be distributed via electronic mail to all Committee members with a copy to the Full Board as well as the Deans of the University's various Colleges (the Deans). The agenda shall be prepared by the Board Chair and any member of the Committee shall be able to suggest items for inclusion. The Foundation staff shall also prepare and submit, if possible, with the agenda all standard monthly reports and any special reports for the Committee's consideration and the full Board and the Deans shall also be copied on the electronic mail that is used to distribute them. The Executive Committee's call is open to all Board members and any of the Deans. Any member of the Executive Committee who believes it is overstepping its authority in considering an item may object to the consideration and then the matter shall be referred to the full Board.

#### 9.01.03 Duties of the Executive Committee

The work of the committee revolves around two major areas:

1. Perform routine oversight of the Foundation and act, when required, on behalf of the Board.
  - a. Carry out specific directions of the Board, and take action on policies when they affect the work of the Executive Committee or when the full Board directs the committee to do so.
  - b. Act on behalf of the Board on all issues related to the Idaho State University Foundation business between Board meetings, with responsibility to report significant actions to the Board for ratification or further Board action at the next meeting or sooner if necessary
  - c. Perform monthly reviews of operating and financial reports and discuss them with appropriate Foundation staff.

2. Coordinate the work of other Foundation Board Committees
  - a. Refer issues to appropriate Committees if they more closely correspond to that Committee's responsibility.
  - b. The Executive Committee should be consulted before any committee undertakes non-routine or special projects to make sure there is no duplication of efforts.
  - c. If certain Committees are recommending inconsistent policies or Resolutions to the full Board, the Executive Committee is charged with working with the Committees to make sure they are aware of inconsistencies and to ensure the Committees have the opportunity to work through them before submission to the Board. If the Committees are unable to resolve differences, the Executive Committee should highlight the differences to the Board and if possible propose a resolution.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 9.02 - Governance Committee**

### **Governance Committee Job Description**

#### **9.02.01      Membership**

The Governance Committee shall be composed of the Board Chair, Ex Officio, the Board Secretary, Ex Officio, (voting Board member or a non-voting Emeritus Director), the Board Executive Vice President, Ex Officio, (non-voting) two or more additional voting Board members appointed by the Board Chair, and others who may be appointed by the Board Chair who may be non-voting. Unless appointed by the Board Chair, the Committee members elect the Committee Chair.

#### **9.02.02      Responsibilities**

The Committee is responsible for the following major areas:

1. An annual review of the Foundation's bylaws.
2. The coordination of the annual reviews and updates of the Foundation's policies.
3. Leads the Board in regularly reviewing and updating the Board's statement of its role and areas of responsibility, and the expectations of individual Board Members.
4. Annually monitors compliance with and effectiveness of Policy Section 3.11 – Board Member Continuing Education and, if requested by the Executive Committee, participates in new Board member orientation and other continuing education for all Board members.
5. Proposes, as appropriate, changes in Board structure, roles, and responsibilities.
6. Provides ongoing counsel to the Board Past Chair and Board Chair on steps they might take to enhance Board effectiveness.
7. Regularly reviews the Board's practices regarding conflict of interest, confidentiality, etc., and suggests improvements as needed.
8. Periodic review of assignments of individuals responsible for performing annual review of Board Policies (see Policy Section 3.12.06).

**Person responsible for the periodic review of policy - Governance Committee Chair**

## **Section 9.03 - Audit Committee**

### **Audit Committee Charter**

#### **9.03.01      Membership**

The Audit Committee shall consist of three or more voting Board members appointed by the Board Chair, none of whom shall be employees of Idaho State University or of the Idaho State University Foundation or receive, directly or indirectly, any consulting, advisory, or other compensatory fees from Idaho State University or from the Idaho State University Foundation. Unless appointed by the Board Chair, the Committee members elect the Committee Chair, who must be a voting Board member unless an exception is granted by a vote of the Board. The Chair of the committee shall not contemporaneously serve on the Idaho State University Foundation's Investment or Finance committee. The Board may invite non -voting advisors to attend meetings of the Committee, make recommendations, and/or implement procedures and policies under the supervision of the Audit Committee. No such advisors may be employees of Idaho State University or of the Idaho State University Foundation or receive any consulting, advisory, or other compensatory fee from the Idaho State University Foundation. All members should be able to read and understand relevant financial statements.

#### **9.03.02      Purpose**

To assist the Board in its oversight responsibility relating to

1. The accounting and financial reporting (including Form 990 tax filing) of the Idaho State University Foundation, including the integrity of the Idaho State University Foundation's financial statements.
2. The Idaho State University Foundation's financial control and the Idaho State University Foundation's compliance with legal and regulatory requirements.
3. The outside auditor's qualifications, independence, and performance.

#### **9.03.03      Duties and Responsibilities**

The duties and responsibilities of the Audit Committee, in addition to the general tasks and responsibilities that, in its judgment, will contribute most effectively to the purposes of the committee, include:

1. To be directly responsible for the appointment, compensation, oversight of the work, and termination of the Idaho State University Foundation's independent auditor. The auditor will report to the Audit Committee, which will receive and consider all required communications from the auditors and will act as liaison with the Board.

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

2. With regard to auditor independence
  - a. To consider at least annually the independence of the outside auditor, taking into account a discussion with the auditor of their system to insure independence and objectivity, and obtain and review a report from the auditor describing any relationships between the auditor and the Idaho State University Foundation, the provision of non-audit services, or any other relationships that may adversely affect the independence of the auditor.
  - b. While it is perfectly appropriate to use the independent auditor for certain non-audit or audit related services, all such services must be approved by the Idaho State University Foundation's Audit Committee before they are performed.
  - c. Review employee relationships between the University and the audit firm. If the Idaho State University Foundation's Financial Personnel worked for the audit firm on the Idaho State University Foundation's audit within the last two years, the auditor will not be considered independent.
3. With regard to the Idaho State University Foundation's financial statements
  - a. To review and discuss with management and the auditor the audited financial statements of the Idaho State University Foundation including, among other things.
  - b. The auditor's judgment as to the quality of the Idaho State University Foundation's accounting principles and underlying estimates, including significant financial reporting issues or adjustments and judgments made in connection with the preparation of the financial statements.
  - c. All critical accounting policies and practices used within the Idaho State University Foundation and any discussions with management about such policies and practices.
  - d. Any schedules of unadjusted differences from the audit.
  - e. The timeliness and quality of initial drafts of financial statements.
  - f. The continued appropriateness of accounting principles or practices and their consistency with nonprofit and foundation norms.
  - g. Management representation letters and other substantive correspondence between management and the auditor.
  - h. To report to the Board the completion of the review of the annual financial statements and any related significant discussion.

- i. While the committee has the responsibilities and powers set forth in this charter, it is not the committee's duty to plan or conduct audits or to determine that the Idaho State University Foundation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Idaho State University Foundation's financial statements and for the appropriateness of the accounting principles and reporting policies used by the Idaho State University Foundation. The independent auditors are responsible for auditing the Idaho State University Foundation's financial statements.
4. With regard to internal controls, to review periodically with management and, if deemed necessary, with the auditors, the adequacy and effectiveness of the Idaho State University Foundation's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the committee by the auditor or management.
5. To receive and consider communications from the auditors and report as necessary to appropriate Board Members and officials as to:
  - a. Any serious difficulties encountered in dealing with management affecting the performance of the audit.
  - b. Any instance of fraud or illegal acts of which the independent auditors are aware.
6. With regard to regulatory matters:
  - a. To review procedures to ensure compliance with tax law pertaining to the Idaho State University Foundation's tax status, including payout requirement.
  - b. To obtain updates as needed from the Associate Vice President for Development and the Finance Director and the Idaho State University Foundation's legal counsel regarding compliance matters (including systems for monitoring compliance with laws and regulations, management's investigations and follow-up, and findings of any regulatory agency) and verification that all regulatory compliance matters have been considered in the preparation of the financial statements.
7. To develop and approve a confidential process for handling any reports submitted to the Committee Chair or others regarding alleged violations of the Idaho State University Foundation's Code of Ethics or violation of any other law or policy or any inappropriateness within the Idaho State University Foundation's financial management, and that prevents retaliation against employees or others for any such reports.

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

9.03.04      **Outside Advisors**

The Audit Committee shall have the authority to retain separate legal counsel or other advisors at the Idaho State University Foundation's expense as appropriate to assist it in the performance of its functions.

9.03.05      **Meetings**

The Audit Committee shall meet at least twice a year at such times and places as the committee shall determine. The committee shall meet separately in executive session periodically with management and separately with the independent auditor.

**Person responsible for the periodic review of policy -Audit Committee Chair**

## **Section 9.04 - Finance Committee**

### **Finance Committee Job Description**

#### **9.04.01      Membership**

The Finance Committee shall be composed of the Board Chair, Ex Officio, the Board Treasurer, Ex Officio, (a voting Board member or a non-voting Emeritus Director), the Board Executive Vice President, Ex Officio, (non-voting), three or more additional voting Board members appointed by the Board Chair, and others who may be appointed by the Board Chair who may be non-voting. Unless appointed by the Board Chair, the Committee members elect the Committee Chair, who must be a voting Board member unless an exception is granted by a vote of the Board.

#### **9.04.02      Responsibilities**

The Finance Committee is responsible for assisting the Board in ensuring the organization is in good fiscal health. The work of the committee involves the following major areas:

1. Oversight of budget and financial planning.
  - a. Review the budget prepared by the Board Chair, Board Treasurer, Finance Director and other Foundation staff before it is proposed for Board approval to ensure that it reflects the Foundation's goals and Board policies.
  - b. Ensure that the budget accurately reflects the needs, expenses, and revenue of the Foundation.
  - c. Different Committees, such as Development or Investment, may assist in the preparation of financial and operating objectives for their respective areas. These goals and objectives should usually be realistic but challenging to achieve (usually referred to as "stretch budgets"). The Finance Committee should review these goals and objectives in approving the budget prepared by the Board Chair, Board Treasurer, Finance Director and other Foundation staff but should feel free to adopt a somewhat more conservative approach for the overall Foundation's budget to make sure that the Foundation remains in sound financial condition.
  - d. Review the comparison of actual financial results with the budget and prior periods prepared by management before it is presented to the Board to make sure that all explanations for differences are reasonable and appropriate in the circumstances.

2. Safeguard the Foundation's assets
  - a. Ensure that the Foundation has the proper risk management provisions in place, including appropriate insurance coverage for the Foundation and for the Board.
3. Help the full Board understand the Foundation's financial affairs.
  - a. Ensure that the Board as a whole is well-informed about the Foundation's finances.
  - b. Take measures to educate the Board on areas that need further explanation.
4. Oversee banking relationships and all Foundation debt
  - a. Periodically review with Foundation's management our relationship with the bank or banks that are handling the Idaho State University Foundation's operating accounts
  - b. At least annually, review the terms and conditions of our existing debt to ensure that the Idaho State University Foundation is receiving the best terms possible.
  - c. Review all projections, terms, and conditions of any new debt (other than for normal accounts payable) that the Idaho State University Foundation is considering entering into to make sure that all Foundation policies concerning the incurrence of indebtedness have been adhered to and that all required documentation is complete, accurate, and understandable. The Committee must approve the completed package before it is submitted to the Board and others for approval.

**Person responsible for the periodic review of policy - Finance Committee Chair**

## **Section 9.05 - Investment Committee**

### Investment Committee Job Description

#### 9.05.01      Membership

The Investment Committee (Committee) shall be composed of the Board Chair, Ex Officio, three or more voting Board members appointed by the Board Chair, and others who may be appointed by the Board Chair who are non-voting. Unless appointed by the Board Chair, the Committee members elect the Committee Chair must be a voting Board member unless an exception is granted by a vote of the Board.

It shall be the responsibility of the Investment Committee to:

1. Prepare and update an investment plan that contain the Committee's policies, fund objectives and performance targets, asset allocation strategies, and investment management structures. The Plan, including the Investment Policy Statement, will be presented and discussed with the Board annually at the Fall Board meeting.
2. Prepare, execute and maintain the Investment Policy Statement (IPS). Monitor policy compliance, at least quarterly, and review/revise the IPS at least annually.
3. Plan scenarios for unforeseen situations affecting investments, as applicable.
4. In collaboration with the Finance Committee, oversee the accounting treatment of investment-related expenses.
5. Monitor the activities of investment-related service providers, including the Outsourced Chief Investment Officer (OCIO).
6. Monitor & evaluate the Foundation's investment performance, including the capital market developments.
7. With the assistance of investment advisors, monitor new regulations and judicial interpretation of investment-related rules. Comply with all applicable fiduciary, prudence and due diligence standards that experienced investment professionals would utilize as well as applicable laws, rules and regulations that may impact the Foundation's investments.
8. Consider all morally responsible investment concerns. Avoid conflicts of interest and prohibited transactions.
9. Report on relevant investment matters to the Executive Committee, and to the Board at each respective meeting.
10. Grant exceptions as permitted in these policies and recommend changes in approved policy, guidelines, and objectives as necessary.
11. Execute such other duties as may be delegated by the Board.

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

9.05.02      Designated Staff

Whenever these policies assign specific tasks to the Investment Committee, the policies assume the actual work will be performed by designated members of the Foundation's staff, or outside advisors, subject only to the Committee's oversight.

9.05.03      Outside Advisors

The Committee is specifically authorized to retain one or more investment advisors as well as any administrators, custodians, or other investment service providers required for the proper management of the Foundation's funds. The Committee may utilize an advisor as an investment consultant to advise and assist the Committee in the discharge of its duties and responsibilities. In that regard, the advisor may help the Committee:

1. Develop and maintain its investment plan;
2. Select, monitor, and evaluate investment advisors and/or investment entities;
3. Provide monthly performance measurement reports within 30 business days following the month end and assist the Committee in interpreting the results;
4. Provide quarterly performance reporting to the Committee within 30 business days following the quarter end;
5. Review funds, portfolios and recommend actions, as needed, to maintain proper asset allocations and investment strategies for the objectives of each fund;
6. Use discretion in managing the investments in accordance with this Policy;
7. Proactively notify the Committee if it believes the Policy and/or investment strategy should be modified to achieve the objectives stated herein;
8. Achieve the investment objectives as set forth for each fund;
9. Provide the Committee with ongoing education and insights related to its fiduciary duties;
10. Attend the standing meetings of the Committee as requested;
11. Participate in investment-related conference calls, as requested;
12. Assist with Policy recommendations and revisions;
13. Assist the staff in the execution of their responsibilities, as necessary;
14. Execute such other duties as may be mutually agreed upon between the Committee and the Investment Advisor.

9.05.04      **Authority**

In discharging this authority, the Committee can act in the place and stead of the Board and may receive reports from, pay compensation to, enter into agreements with, and delegate discretionary investment authority to such advisors. When delegating discretionary investment authority to one or more advisors, the Committee will establish and follow appropriate procedures for selecting such advisors and for conveying to each the scope of their authority, the organization's expectations, and the requirement of full compliance with the Foundation's investment policies.

**Person responsible for the periodic review of policy - Investment Committee Chair**

## **Section 9.06 - Development Committee**

### Development Committee Job Description

#### 9.06.01      Membership

The Development Committee is appointed by the Board Chair and consists of the Board Chair, Ex Officio, and at least three or four Board Members. Unless appointed by the Board Chair, the Committee members elect the Committee Chair. The Committee should meet at least quarterly. The Development Committee works with the Board Past Chair, the Board Chair, the Executive Vice President, and the staff of the Office of the Executive Director of Development to provide valuable input for developing the fundraising plan and engaging the entire board in fundraising. The Committee's responsibilities include the following:

#### 9.06.02      Development Plan

Review, as requested by the Executive Director of Development and provide input upon any Development Plans including specific goals, any performance matrixes, any strategic and tactical plans, any written cases for support, and other related documents. Any review conducted by the Development Committee should be completed before the Executive Director of Development presents information relative to any Development Plan to the Board.

#### 9.06.03      Presentations

Review, as requested by the Executive Director of Development, any reports or summaries comparing the results of the Development Plan with the goals or projections and provide input to assist in the formulation of a complete and readily understandable presentation.

#### 9.06.04      Budget Development

Upon request of the Executive Director of Development or the Finance Committee, assist the University Foundation or the Finance Committee in developing a budget for any expenses of the Foundation related to Development. The Managing Director performs essential functions in budget development. Any requested review should be completed before the final budget proposal is formulated by the Finance Committee.

9.06.05      **Support Materials**  
Upon request of the Executive Director of Development, review any documented case for support materials and, based upon the University Foundations' missions and goals, provide input on the strength, timeliness, and relevance of the materials and whether they distinguish the support proposed from other similar gifting opportunities offered by the Foundation or other entities.

9.06.06      **Policies and Amendments**  
Provide input to the Board regarding appropriate policies and policy amendments relative to gift solicitation, gift recognitions and donor stewardship.

9.06.07      **Fundraising Education**  
Be cognizant of and available to help educate the Board about environmental factors affecting fundraising among Idaho State University's constituencies (e.g., current events, other organizations' activities, and economic factors).

9.06.08      **Cultivation and Solicitation of Gifts**  
Involve and motivate Board members and volunteers in cultivation and solicitation of gifts.

9.06.09      **Involvement and Cultivation of Major Gift Prospects**  
Help, when requested to do so by the Executive Director of Development or the staff of the Development Office, develop strategies to utilize the Board or its members for involvement and cultivation of major gift prospects (i.e., individual, foundation, and corporate).

9.06.10      **Evaluation of New and/or Increased Contributions**  
Help to evaluate new and/or increased contributions.

9.06.11      **Solicitation of Gifts**  
Solicit gifts at levels required for annual, special, and planned giving programs.

9.06.12      **Participation and Leadership**  
Participate actively in special events and provide leadership for capital campaigns.

9.06.13     **Solicitation and Acknowledgement Letters and Stewardship**  
Develop for use by the Board and sign as members of the Board solicitation and acknowledgment letters. Review and provide input on the strategic stewardship plan developed by the Associate Vice President.

9.06.14     **New Major Gift Prospects**  
Provide access to staff of the Foundation or of the Development Office to new major gift prospects.

9.06.15     **Continuing Education for Board Members**  
Make suggestions to the Governance Committee for continuing education for Board Members in matters pertaining to fundraising and development.

9.06.16     **Development and Fundraising Education**  
Assist in preparation and presentation of a program for Development and Fundraising education at one Board meeting per year or as requested.

**Person responsible for the periodic review of policy - Development Committee Chair**

## **Section 9.07 Nominating Committee**

### Nominating Committee Job Description

#### 9.07.01 Membership

The Nominating Committee shall be composed of the Board Past Chair, Board Executive Vice President (non-voting) and three or more additional voting Board members appointed by the Board Chair, and any Emeritus Directors (non-voting) appointed by the Board Chair. Unless appointed by the Board Chair, the Committee members elect the Committee Chair, who must be a voting Board member unless an exception is granted by a vote of the Board. The Board Chair shall not be a member of the Nominating Committee. The Board Past Chair and the Board Executive Vice President serve as Ex Officio members.

#### 9.07.02 Responsibilities

The Nominating Committee is responsible to identify and screen candidates for Board membership and Board leadership that will enhance the quality and future viability of the Board. The Development Office should provide ongoing assistance and support in this endeavor.

##### 1. Board Membership

The Nominating Committee:

- a. Determines what is needed to strengthen the board with particular attention paid to an individual's specific skills needed to fulfill committee responsibilities, ability and commitment to donate or obtain donations for the Foundation, diversity representative of the University and community, and all qualities specified in this policy manual.
- b. Receives, in writing, submissions of possible candidates from any member of the Board, Ex Officio members of the Board, Emeritus Directors, and Development Office.
- c. Determines the viability of each candidate based on criteria set forth in this policy manual with special attention to Section 2.01-2.03, 3.01 – 3.02, and information provided through public domain and personal knowledge.
- d. Manages membership by developing a pipeline of candidates for possible nominees in relation to a timeline for membership positions. Presents a selected nominee to the Board for approval.
- e. After Board approval of a nominee, assist the Board Past Chair and Board Chair, if requested in recruitment.
- f. Annually reviews Board member participation.

- g. Is responsible for verifying, with those Board members eligible for another three-year term, their willingness and capability to serve for another three years and for reporting to the Board those they are nominating for reelection.

2. Board Leadership
  - The Nominating Committee
    - a. Develops succession planning, taking steps to recruit and prepare for future board leadership
    - b. Nominates board members for election as board officers

9.07.03 Vacancies

For a variety of reasons vacancies may occur on the Board or with Board officers during the period between elections. When these occur, it is the responsibility of the Nominating Committee to recommend a suitable candidate for Election by the Board to fill the vacancy.

*The Nominating Committee has developed certain protocols that are used to fulfill the Committee's responsibilities. While the protocols are not Board policies, they have been included in Section 10 for reference purposes.*

**Person responsible for the periodic review of policy - Nominating Committee Chair**

## **Section 9.08 - Ad Hoc Committees**

### **Establishing Ad Hoc Committees**

#### **9.08.01      Membership**

From time to time opportunities, problems, or other issues may arise for the Foundation that may not fall under the jurisdiction of any of the Foundation's Committees. In such cases the Board Chair, the Executive Committee or the full Board may deem it advisable to establish a special ad hoc Committee and Committee Chair to work on the issue on behalf of the Board. The Committee Chair must be a voting Board member unless an exception is granted by a vote of the Board. When an ad hoc Committee is formed, the items described below should be documented in writing and presented to the ad hoc Committee. This documentation can be provided as either a memo from the Board Chair or excerpts from the minutes of the Executive Committee or from the minutes of the full Board.

##### **1. Items to be documented**

- a. A brief description of the opportunity, problem or issue that is being addressed.
- b. A clear explanation of the expectations of the Committee and the authority that is being delegated to it.
- c. The expected form of reporting by the Committee and to whom it will be reporting.
- d. A timeline for the work of the Committee including expected interim reporting.
- e. The names of the Board Members and others appointed to the Committee and the name of the Committee Chair.

#### **9.08.02      Board Ratification**

In addition to providing the documentation specified above to the Committee the same documentation should be presented for ratification to the Executive Committee and the Board at their next regularly scheduled meetings if the Committee has been formed by the Chair. If the Committee has been formed by the Executive Committee it will be presented for ratification to the Board at its next regularly scheduled meeting.

Once the Ad Hoc Committee has completed its mission, the Committee Chair is responsible to disband the committee. Once disbanded, the Board Chair needs to be notified.

#### **Person responsible for the periodic review of policy - Board Chair**

The policies contained in the ISUF Policy manual contain all amendments, if any, made to them through the October 24, 2025 Board of Directors meeting.

## **Section 9.09 - Committee Chairs Job Descriptions**

9.09.01 General Responsibilities for Committee Chairs

1. Committee Chairs will handle the following primary responsibilities:
2. Set the committee's agenda based upon the input of other committee members and the Board as well as the committee's job description or charter.
3. Determine annual goals and objectives for the committee within the expectations set by the Board.
4. Determine which agenda items can be decided upon within the committee and which agenda items require ratification of the Board.
5. Call and preside over meetings of the committee.
6. Move members toward participation and decision making.
7. Recommend changes in current Idaho State University Foundation policies and recommend new policies when necessary.
8. Address issues that have been referred from other committees/task groups, or have resulted from Board action(s).
9. Identify and track external trends in the committee's area of work to ensure the Idaho State University Foundation's use of best practices.
10. Present pertinent information about committee progress to the Board in written reports.
11. Work in collaboration with other Board committees, especially the Executive Committee.
12. Serve as the liaison between the committee and the Board Chair, and the full board.
13. Handle or delegate all administrative tasks associated with the effective coordination of the committee. These tasks include but are not limited to
  - a. Communicating consistently with committee members
  - b. Securing space for committee meetings
  - c. Reminding committee members about meeting times and location
  - d. Taking meeting minutes
  - e. Sending committee meeting minutes to other committee members, the Foundation's Executive Assistant, Board Executive Vice President and Board Chair no later than two weeks after the committee meeting and before the next Board meeting.

**Person responsible for the periodic review of policy - Board Chair**

## **Section 10**

### **Glossary**

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## Section 10

### Glossary

#### 10.01 – DEFINITIONS

<b>ACKNOWLEDGEMENT</b>	.....	Written expression of gratitude for gift or service. Formal documentation of a completed gift.
<b>AD HOC COMMITTEE</b>	.....	A committee formed for a specific task or objective and dissolved upon completion of the specific task or objective.
<b>ANNUAL GIVING</b>	.....	Annually repeating gift programs seeking funds on an annual and recurring basis from the broad constituency of the institution.
<b>BENCHMARK</b>	.....	The <b>long-term benchmark</b> is the actual investment objective of the Foundation, currently represented by CPI plus 5.5%.
	.....	The <b>policy benchmark</b> is a diversified benchmark that reflects the underlying exposures of the investment portfolio. This is the benchmark to which the Foundation will be managed. Over time, the policy benchmark should show the benefit of diversification versus the Traditional Benchmark. The current policy benchmark is the weighted average of the underlying target asset class exposures as noted above.
	.....	The <b>traditional benchmark</b> is a commonly used benchmark that gives a general classification of the risk/return profile of the portfolio. The actual portfolio and policy benchmark may deviate from this benchmark over shorter periods of time. The current traditional benchmark is 75% S&P 500 / 25% Barclays Aggregate Index.
<b>BENEFACITOR</b>	.....	One who makes a major gift to an institution or agency.
<b>BENEFICIARY</b>	.....	An individual or organization that receives an interest in property or funds from an estate or a contract such as a life insurance policy or employee benefit plan.
<b>BEQUEST</b>	.....	A transfer of property such as cash, securities and tangible property through a will or trust.
<b>BOARD EMERITUS</b>	.....	Honorary positions on the Board which may be offered to Directors
<b>DIRECTORS</b>		who have completed three terms on the Board and who may serve until resignation or until removal by a majority vote of the Board. Emeritus Directors may attend all regular meetings and committee meetings but may not vote.
<b>CALL CENTER</b>	.....	The facility, operated by the ISUF, which conducts solicitation calls, year-round. The Call Center is staffed by ISU students which use specialized software to systematically reach all constituents in the database. The student callers also update constituent records, process credit card gifts and thank donors and prospects.
<b>CAMPAIGN</b>	.....	An organized effort to raise funds for a specific project.
<b>CAPITAL CAMPAIGN</b>	.....	A campaign to raise funds to finance major projects and/or programs such as the acquisition of property or equipment, construction and/or renovation of facilities. Capital Campaigns depend upon leadership giving and major giving in order to achieve goals.

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<b>CASE</b>	.....	Carefully prepared reasons why a charitable institution merits support, including its resources, its potential for greater or enhanced service, its needs and its future plans.
<b>CASE STATEMENT</b>	.....	A written document presenting the case for support to potential donors.
<b>CHARITABLE REMAINDER TRUST</b>	.....	A donor creates and funds an irrevocable trust that provides income to beneficiaries for life or a term of years, after which the remainder of the trust is distributed to the ISU Foundation.
<b>COMPENSATION</b>	.....	The act or state of compensating, as by rewarding someone for service or making up for someone's loss, damage, or injury by giving the injured party an appropriate benefit.
<b>CORPORATE FOUNDATION</b>	.....	The philanthropic arm created by a corporation to deal with requests for contributions from whatever agencies, locally, regionally or nationally.
<b>CORPORATE PHILANTHROPY</b>	.....	Support through gifts, equipment, supplies or other contributions by business firms to charitable institutions, sometimes through organized programs which may include corporate foundations.
<b>CROWDFUNDING</b>	.....	The practice of soliciting contributions from mass numbers of people, in particular using websites, email and social media to distribute the message.
<b>CULTIVATION</b>	.....	The process by which you improve and grow the relationship with a donor.
<b>DEFERRED GIFT</b>	.....	A gift that is committed to a charitable organization but is not available for use until some future time, usually the death of the donor.
<b>DEVELOPMENT</b>	.....	Refers to all dynamics of a continuing fundraising program including major giving, annual giving, planned giving, campaigns and stewardship.
<b>DEVELOPMENT OFFICER/DIRECTOR OF DEVELOPMENT</b>	.....	A staff member of the University charged with soliciting contributions at the University, typically for a particular college or program. Also referred to as Directors of Development and abbreviated as DO or DOD. At Idaho State University DOs report to the Executive Director of Development, with a dotted line to the Dean of their unit, and their salaries are equally divided between their unit and the development office.
<b>DIRECT MAIL</b>	.....	Solicitation of gifts and distribution of information pieces by targeted mass mailing.
<b>ENDOWMENT</b>	.....	A fund or collection of funds that produces income for distribution and use at Idaho State University according to a directed purpose.
<b>ETHICS</b>	.....	Moral considerations. Standards of conduct and methods of doing business that provide assurances of professionalism in relationships.

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<b>EXECUTIVE ASSISTANT</b>	.....	The Executive Assistant to the Board is responsible for managing the day to day administrative activities of the board, proper record keeping and recording of minutes. The position is filled by the person holding the title of Executive Assistant, a University funded position, within the Advancement Office.
<b>EXECUTIVE DIRECTOR OF DEVELOPMENT</b>	.....	The university employee, who reports to the Vice President of University Advancement, responsible for management and oversight of fundraising and development operations. Abbreviated as AVP.
<b>EXECUTIVE VICE PRESIDENT</b>	.....	This is the permanent Ex-Officio Officer of the Foundation Board filled by the Vice President of University Advancement. The University's Vice president for the University Advancement shall be responsible for coordinating the University's and the Foundation's fundraising efforts and for supervising and coordinating the administrative support provided by the University to the Foundation.
<b>EX-OFFICIO</b>	.....	A member of the ISUF Board, or of a Committee of the ISUF Board, by virtue of one's position or status who has voting rights unless otherwise noted, and does not negatively affect a quorum.
<b>FEASIBILITY STUDY</b>	.....	An in-depth examination and assessment of the fundraising potential of an institution or agency, conducted by fundraising professionals, and presented in the form of a written report setting forth conclusions about funds which may be expected to be raised, recommendations and proposed plans for the fundraising unit to consider.
<b>FIDUCIARY</b>	.....	An individual, corporation or association holding assets for another party, often with the legal authority and duty to make decisions regarding financial matters on behalf of the other party.

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<b>FINANCIAL INTEREST</b>	.....	A person has a financial interest if the person has, directly or indirectly, through business or investment, or a member of the person's family has: a. A position as an officer, director, trustee, partner, employee, or agent of any entity with which the Foundation has or is considering a contract, transaction, or arrangement; b. An ownership or investment interest in any entity with which the Foundation has or is considering a contract, transaction, or agreement; c. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has or is considering a contract, transaction, or arrangement; d. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is considering or negotiating a contract, transaction, or arrangement; or e. Any other direct or indirect dealings with any entity from which he or she knowingly benefitted (e.g., through receipt directly or indirectly of cash or other property in excess of \$500 a year exclusive of dividends or interest) and with which the Foundation has, is considering, or is negotiating a contract, transaction, or arrangement.
<b>FISCAL YEAR</b>	.....	A 12-month period during which revenue is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recognized. The fiscal year for the SU Foundation is July 1 through June 30.
<b>FUND AGREEMENT</b>	.....	A contract between the ISUF and a donor that specifies the terms and purpose of a specified fund, which may be an endowment or a spendable fund, which will be separately and particularly accounted for; most often endowments.
<b>FUNDRAISING</b>	.....	The raising of funds for a specific cause.
<b>FUTURE DONOR</b>	.....	An alumnus or friend of Idaho State University for whom a record is on file in the ISUF database, but has never made a gift.
<b>GIFT</b>	.....	Funding given to the University or the Foundation that does not involve any quid pro quo, such as detailed technical reports, licensing of intellectual property rights, or other goods and services.
<b>GIFT AGREEMENT</b>	.....	A contract between the ISUF and a donor that specifies the terms and purpose of a donor's gift.
<b>GIFT ASSESSMENT</b>	.....	The fee is assessed on each gift accepted by the ISUF in order to sustain the operations of the organization. The assessment is 4% on all gifts.
<b>GIFT PLANNING</b>	.....	The integration of personal, financial, and estate planning concepts with the individual donor's plans for lifetime or testamentary giving.

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<b>GIFT-IN-KIND</b>	.....	Non-monetary items of tangible personal property such as art, collectibles, books, equipment or other physical assets or materials which have value to Idaho State University.
<b>GRANTS</b>	.....	Funds provided by government and nonprofit foundations to support specific research projects. These are often in response to solicitations, include general statements of work, and the deliverables include detailed reports. These will be charged Indirect Costs or a gift assessment fee, depending on the foundation regulations. The ISU Foundation accepts charitable gifts, and does not administer grants.
<b>I LOVE ISU CAMPAIGN</b>	.....	The oldest annual campaign organized and carried out by the ISUF. This campaign involves teams of local volunteers representing local business organizations who call other local businesses and solicit their support for "I Love ISU Scholarships" which benefit students from Idaho. Because the I Love ISU Campaign is volunteer driven it is critical that campaign leadership and countless community volunteers recognize the commitment of the ISUF Board of Directors to its success. Board members are encouraged and expected to make a personal contribution to the I Love ISU Campaign, achieving 100% participation in this community campaign.
<b>IDENTIFICATION</b>	.....	Process of discovering donors through various strategies including cold calls, online research, interviewing existing donors and data mining.
<b>INTERESTED PERSON</b>	.....	Any director, officer, member of a committee with Board delegated powers, or staff member, who has a direct or indirect financial interest, as defined below, is an interested person.
<b>LAPSED DONOR</b>	.....	A donor who made a gift during a previous fiscal year but not in the immediate past 5 fiscal years.
<b>LEAD GIFT</b>	.....	A gift given early in a campaign that, by its nature and size, tends to lead others to increase their level of giving.
<b>LYBUNT</b>	.....	A donor who made a gift last year but not this year.
<b>MAJOR GIFT</b>	.....	A gift of significant amount to advance a program or mission. The ISU Foundation considers gifts of \$25,000 or greater to be "major gifts."
<b>MANAGED FUND SCHOLARSHIPS</b>	.....	Any scholarship which is funded by a financial corpus which is controlled by a non-university entity and specifically directed to a named individual and issued by an organization not a part of the Idaho State University system. These scholarships are brought into the university by the named recipient and have a finite life span which ends at the termination of the named student's academic association with Idaho State University.
<b>MANAGEMENT FEE</b>	.....	The fee charged to endowments to cover the cost of investment management. Currently the endowment management fee is 1.5% annually of the fair market value of the endowment, charged monthly. Also referred to as Annual Administrative Fee.

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<b>MANAGING DIRECTOR</b>	.....	The Managing Director of the Foundation is an employee of the University. The Managing Director shall be responsible for the supervision and control of the day-to-day operations of the Foundation, and subject to the direction and control of the Foundation, as set forth in the Service Agreement attached hereto as Exhibit "B" ("Service Agreement"). More specific duties of the Managing Director are set forth in the Service Agreement.
<b>MATCHING GIFT</b>	.....	Gifts made with company or corporate foundation funds that match gifts made by a company's eligible employees to the ISU Foundation according to the company's guidelines. The term may also be utilized to describe a special campaign or project for which individual donors have engaged with the ISUF to leverage their own charitable support by offering to match all gifts made by other donors for a specific purpose.
<b>MEMBER OF A PERSON'S FAMILY</b>	.....	The person's spouse, parent, step-parent, guardian, brother, sister, step-brother, step-sister, mother-in-law, father-in-law, child, stepchild, grandmother, grandfather, aunt, uncle, niece, nephew, brother-in-law, sister-in-law, first cousin, or grandchild.
<b>NON-CASH GIFTS (GIFTS IN KIND)</b>	.....	Gifts made to the University that are to become inventoried usable assets of the University.
<b>PERMANENT ENDOWMENTS</b>	.....	Assets designated by the donor to be held in perpetuity. The corpus of these endowments may never be spent. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor. The corpus may decline in unfavorable market conditions.
<b>PLEDGE</b>	.....	An orally stated, written or otherwise agreed upon commitment to make a gift over a specified period of time according to terms set by the donor.
<b>PROSPECT</b>	.....	Any logical source of support, whether individual, corporation, organization or foundation. Emphasis on "logical", meaning a prospect has interest and capacity for a gift.
<b>QUALIFICATION</b>	.....	The process of investigating, usually through a personal visit, the readiness of an individual to be a bonafide donor prospect. During qualification the director of development must decide about the interest and ability of an individual or organizational donor to make a major gift.
<b>QUASI-ENDOWMENTS</b>	.....	Assets which, upon designation of the Foundation or upon instruction by the donor, are maintained as endowments and specify the use of the assets and the spendable income, recognizing that the corpus may be invaded to meet intended needs.

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<b>QUID PRO QUO</b>	.....	Something in exchange for something; a gift in exchange for specified privileges or services. Quid Pro Quo gifts are not accepted by the ISU Foundation.
<b>RESTRICTED FUNDS</b>	.....	Assets or income restricted in its use by donor intent, typically specified in a fund or gift agreement.
<b>SOLICITATION</b>	.....	The process of asking a donor to consider a specific gift to the ISUF.
<b>SPENDABLE FUNDS</b>	.....	Funds that can be spent in their entirety in a manner consistent with the intentions of a donor.
<b>STEWARDSHIP</b>	.....	The comprehensive process of recognition that continues to convey the appreciation of the ISUF to donors for gifts already completed. Stewardship encompasses a large body of work and business processes including reporting, communications, recognitions, acknowledgements and special programs. The processes which honor, recognize, inform and maintain contact with donors.
<b>SYBUNT</b>	.....	A donor who made a gift in some years but not the current fiscal year.
<b>TERM ENDOWMENTS</b>	.....	Term endowments are established when the donor specifies that the endowment shall terminate following a particular date or event and that the corpus of the endowment may be expended in accordance with the terms and conditions specified by the donor. Until the passage of the specific date or event, term endowments operate in a manner similar to permanent endowments with expenditures made in accordance with the conditions established by the donor.
<b>UNIT</b>	.....	A specific division or College of the University overseen by a Dean. Each College represents a Unit, as does the Library, Museum, etc.
<b>UNRESTRICTED GIFTS</b>	.....	Funds and gifts which are not specifically designated for a particular use, therefore allowing the institution to determine the best and highest use of the funds. Unrestricted gifts represent the smallest percentage of gifts made to most charitable institutions, but are very desirable due to the ability to utilize them to address emerging needs.
<b>UNRESTRICTED GRANTS</b>	.....	Funds that are received by the University that are not formally recognized as gifts to the Foundation, but, for instance, support the research of a particular faculty member, department or center. Although a proposal may have led to the grant, there are no deliverables (except perhaps a report accounting for the expenditure of funds) and no other conditions.
<b>YEAR END GIVING</b>	.....	The practice among many charitable organizations of seeking gifts, usually via mail campaigns, in the last two or three months of a calendar year on the premise that prospects will take last minute advantage of opportunities to secure tax advantages.

Person responsible for the periodic review of policy – Board Secretary