

**BYLAWS
THE UNIVERSITY OF MONTANA FOUNDATION**

ARTICLE I

Definitions

SECTION 1. As used in these Bylaws:

- A.** "Foundation" means The University of Montana Foundation.
- B.** "University" means the University of Montana.
- C.** "Board" means the Board of Trustees of The University of Montana Foundation.
- D.** "Trustee" means a duly elected incumbent Trustee of the Foundation and a voting member of the Board.
- E.** "Committee" means a group of Trustees assigned responsibilities as defined in a charter.
- F.** "Officers" means the Officers of the Board including the Chair, Vice Chair, Secretary, and Treasurer.
- G.** "Chair" means the Chair of the Board.
- H.** "Vice Chair" means the Vice Chair of the Board.
- I.** "Secretary" means the Secretary of the Board who is a non-voting ex-officio member.
- J.** "Treasurer" means the Treasurer of the Foundation Board who is the Trustee appointed to serve as Chair of the Strategic Finance Committee.
- K.** "President" means the President and CEO of the Foundation.

ARTICLE II

Board of Trustees

SECTION 1. The management and control of the Foundation is vested in the Board.

SECTION 2. The number of Trustees shall be determined by the Board upon a two-thirds (2/3) vote at any regular meeting of the Board but shall be not less than twenty-one (21), and not more than forty (40). The number may be forty-one (41) from time to time if the immediate past Chair's term is extended as provided in Section 5, below. The active term of any individual Trustee may not be terminated by this provision.

SECTION 3.

- A.** Trustees shall be elected for a term of three (3) years. Trustees may be elected at any Board meeting during which a quorum exists by a majority of those Trustees present. Based upon compliance with the expectations established for Trustees, the Board may elect a Trustee for a second three-year term, and subsequently for a third three-year term. The term of a Trustee shall

commence at the conclusion of the meeting at which they are elected.

- B.** The Governance Committee shall nominate persons for election as Trustees no fewer than thirty (30) days prior to the meeting at which they will stand for election to the Board.
- C.** A vacancy in the office of Trustee may be filled by nominating and electing a replacement Trustee for a three (3) year term as provided in this section.

SECTION 4. An employee of the University may not serve as a Trustee.

SECTION 5. A Trustee may not serve for more than three (3) consecutive terms except the Chair, who may continue to serve until the completion of their term as Chair of the Board. In exceptional circumstances, if the interests of the Foundation would be well served, a trustee may be invited to serve one additional term of up to three years based upon the recommendation of the Governance Committee and affirmed by the Board.

SECTION 6. A Trustee may be removed from the Board by a two-thirds (2/3) vote of the Board at any regular or special meeting called for such purpose, on at least ten (10) days' notice. Violations of ethical standards of a fiduciary, malfeasance, or failure to meet expectations for Trustee service as outlined in the Statement of Responsibilities and Commitment could serve as a basis for removal.

SECTION 7. Non-voting ex-officio members of the Board include:

- A.** the President;
- B.** the Secretary; and
- C.** the University President.

SECTION 8. The authority to elect Trustees, to hire or dismiss the President, and to modify the bylaws, the articles of incorporation, or the operating agreement between the Foundation and University is vested with the Board and may not be delegated to any committee.

ARTICLE III

Meetings

SECTION 1. The Board shall convene for an annual meeting and other meetings as determined by the Chair.

SECTION 2. Special meetings of the Board may be called by the Chair, the Executive Committee, or by no fewer than three Trustees or at the request of the President.

SECTION 3. Notice of all regular meetings of the Board shall be given to each Trustee at least ten (10) days or more before the meeting. Notice of special meetings of the Board must be given at least two (2) days or more before the meeting.

SECTION 4. A quorum shall consist of a majority of the Trustees. A lesser number may meet and adjourn from time to time until a quorum is present.

ARTICLE IV

Officers

SECTION 1. The Chair and Vice Chair shall each be nominated by the Governance Committee and elected for a two-year term at the annual meeting of the Board, and shall begin their terms at the conclusion of the annual meeting at which they are elected.

SECTION 2. A vacancy occurring in the position of Chair or Vice Chair shall be filled by the Board at any regular or special meeting by the election of a Trustee to fill the remainder of the unexpired term.

SECTION 3. The Chair shall preside at all meetings of the Board and perform the duties customarily required of a chair subject to the direction of the Board.

SECTION 4. The Vice Chair shall perform the duties of the Chair in the absence of the Chair.

SECTION 5. The Secretary has charge of the seal, corporate books, and records of the Foundation, and shall issue notices of Board meetings. With the Chair, the Secretary shall execute such instruments as required, and shall make such reports and perform such other duties as are incident to the office. The Secretary is responsible for the accuracy of Board meeting minutes and shall so attest.

SECTION 6. The Treasurer shall monitor the financial performance of the organization in accordance with established by Board policies and support the work of the Strategic Finance Committee.

SECTION 7. The Board may appoint a legal counsel to advise the Board.

ARTICLE V

Committees

SECTION 1.

A. The Chair, in consultation with the President, shall determine the standing Committees necessary to achieve the goals and objectives of the Board. At minimum, the standing Committees shall include an Executive Committee, Audit/Risk Committee, Governance Committee, Investment Committee, and Strategic Finance Committee.

- B.** Committee charters outlining the authority, membership and responsibilities of each Committee shall be reviewed and approved by the Board as needed.
- C. Executive Committee**
 - (1)** The Chair and Executive Committee, consisting of the Officers and two at-large members recommended by the Chair and approved by the Board, serves as liaison to the President and provides strategic and policy leadership as needed between meetings of the Board. Additional responsibilities are outlined in the Executive Committee charter approved by the Board. The Executive Committee shall report all actions to the Board.
- D.** The Chair shall designate a Committee chair and Committee vice chair for each standing Committee and appoint Trustees to serve on each of the Committees. Committee chairs and vice chairs as well as Committee members shall serve for one-year terms, although the Chair may renew such assignments or reassign a Trustee to a different standing Committee during the Chair's term.
- E.** The chair of each standing Committee shall report to the Board all significant actions and recommendations of that Committee to the full Board. All actions of a standing Committee are subject to review and approval of the Board, except to the extent the power and authority of the Board is expressly delegated to a Committee in these bylaws or in a resolution or policy adopted by the Board in connection with the creation, implementation, or operations of a specific Committee. In no event, however, may the Board delegate to a Committee the authority to (1) authorize distributions or (2) approve or recommend dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Foundation's assets. When duly reported to the Board, acts of a Committee to which power and authority have been delegated under this Section, shall stand as acts of the Board.
- F.** The chair of a standing Committee may appoint one or more subcommittees to carry out specific tasks for that committee.
- G.** The President shall designate a staff member to assist each standing Committee in carrying out its responsibilities.

SECTION 2. The Chair may appoint special, ad hoc Committees for a period of not more than 18 months.

SECTION 3. Minutes of all committee meetings shall be available to the Board.

ARTICLE VI

President

SECTION 1.

- A. The President is the chief executive officer of the Foundation, is appointed by the Board, and serves at the pleasure of the Board. If the position of President becomes vacant, the Chair, with the consent of the Board, shall appoint an acting President to perform the duties of the office until the position is filled.
- B. The duties and responsibilities of the President are to:
- (1) Oversee the day-to-day operations of the Foundation, including managing the employees of the Foundation;
 - (2) Under the direction of the Chair, coordinate and prepare for meetings of the Board and its Committees;
 - (3) Inform the Chair and Board of any material developments;
 - (4) Annually prepare and submit to the Strategic Finance Committee a Foundation budget, a statement of expenditures and a revenue projection;
 - (5) Coordinate the work of the Foundation with the University, and maintain regular contact with the University President and other University officials;
 - (6) Maintain contact with donors and potential donors to the Foundation;
 - (7) Represent the Foundation at events and functions requiring Foundation representation; and
 - (8) Perform such other duties as are directed by the Chair and Board.

ARTICLE VII

Seal

The corporate seal of the Foundation shall consist of a die with two (2) concentric circles having inscribed in the outer circle "The University of Montana Foundation" and in the inner circle "Corporate Seal."

ARTICLE VIII

Amendments

SECTION 1. The Trustees shall have power to make, alter, amend, and repeal the bylaws of the Foundation by affirmative vote of a majority of the Board present at any regular or special meeting, provided that the proposed action is inserted in the notice of such a meeting. Amendments proposed from the floor at a regular or special meeting by a Trustee may be enacted on an affirmative vote of two-thirds (2/3) of the Trustees present at such a meeting if a quorum is present.

ARTICLE IX

Agents and Representatives

SECTION 1. The Board may appoint such agents and representatives of the Foundation with such powers and to perform such acts or duties on behalf of the Foundation as the Trustees may see fit, so far as may be consistent with these bylaws, to the extent authorized or permitted by law.

ARTICLE X

Contracts

SECTION 1. The Board, except as these bylaws otherwise provide, may authorize any officer, agent or senior member of the Foundation staff 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 a specific instance; and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Foundation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

ARTICLE XI

Prohibition Against Sharing in Corporate Earnings

SECTION 1. No Trustee, officer, or employee of, or person connected with the Foundation shall receive, at any time, any of the net earnings or pecuniary profit from the operations of the Foundation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to, or for, the Foundation in effecting any of its purposes as shall be fixed by the Trustees; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Foundation. All such persons shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Foundation, whether voluntary or involuntary, the assets of the Foundation, after all debts have been satisfied, then remaining in the hands of the Trustees, shall be distributed, transferred, conveyed, delivered, and paid over exclusively to the University.

ARTICLE XII

Investments

SECTION 1. The Foundation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it in accordance with the Investment Policy Statement as adopted by the Board. No action, however, shall be taken by, or on behalf of, the Foundation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 504 of the Internal Revenue Service Code and its Regulations as they now exist, or as they may hereafter be amended.

ARTICLE XIII

Exempt Activities

SECTION 1. Notwithstanding any other provision of these bylaws, no Trustee, Officer, employee or representative of this Foundation shall take any action or carry on any activity by or on behalf of the Foundation not permitted to be taken or carried on by an organization exempt under Section 501(c) (3) of the Internal Revenue Service Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170 (c) (2) of such Code and Regulations as they now exist or as they may hereafter be amended.

ARTICLE XIV

Waiver of Notice

SECTION 1. Whenever any notice is required to be given under the provisions of these bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Montana Nonprofit Corporation Act, a waiver, in writing and signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The waiver must be filed with the minutes or corporate records. A Trustee's or other person's attendance at or participation in a meeting waives the Trustee's or other person's right to object to lack of notice or defective notice of the meeting; this shall be true unless the Trustee or other person upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with these bylaws, objects to lack of notice and does not vote for or assent to that action taken at the meeting.

ARTICLE XV

Conflict of Interest and Statement of Responsibilities and Commitment

SECTION 1. The Board shall have a formal Conflict of Interest Policy that is periodically reviewed by legal counsel. The purpose of the policy is to protect the Foundation's interest when it is entering into a transaction or arrangement that might benefit the private interest of a Trustee, officer or committee member of the Foundation. The policy will be consistent with and at least as protective as the applicable conflict of interest provisions under Montana law. It is the responsibility of the Board to ensure that all Board members are meeting their responsibilities in a manner that is consistent with the specifics of the Conflict of Interest policy.

SECTION 2. Each UM Foundation Board member will be periodically asked to review and sign a Board-approved Statement of Responsibilities and Commitment. The Board will hold all Trustees to account for the expectations of a fiduciary as included in the Statement.

ARTICLE XVI

Indemnification

SECTION 1. The Foundation shall, to the full extent permitted by the Montana Nonprofit Corporation Act as it now exists or as it may hereafter be amended, indemnify Trustees and officers against liability and against reasonable expenses incurred by the Trustees or the officers in the defense of any proceeding to which the Trustee or the officer is a party because they are or were a Trustee or officer of the Foundation.

Adopted:



Jacob MacLean, Board Secretary
September 23, 2022