TOWSON UNIVERSITY FOUNDATION, INC.

BYLAWS

***ARTICLE I - PURPOSES***

The purpose of the Towson University Foundation is to assist in the increasing of funds available to Towson University. The Foundation will raise funds, receive, hold, invest, manage, use, dispose of, and administer property as appropriate for the purpose of the furtherance of the mission of Towson University.

***ARTICLE II - DIRECTORS***

***Section 1 - Number:*** The number of Board members shall be not less than seven (7) nor more than thirty (30).

***Section 2 - Ex-Officio Directors:***  There shall be eight (8) ex-officio directors; namely the immediate past President of the Foundation, President of Towson University, Vice President for University Advancement of Towson University, the principal development officer of Towson University, the Vice President for Administration and Finance of Towson University, the President of the Alumni Association, the Vice President & Chief Financial Officer for the Foundation and a Dean of Towson University, or their respective designees. The ex-officio directors shall have the same status as other directors except that they shall not have the right to vote. The Executive Committee has the authority to appoint additional ex-officio directors at its discretion.

***Section 3 - Nominations:*** Nominations for election of directors may be made by the Nominating Committee and the Board shall act upon such nominations at its next duly constituted meeting or upon direction of the President of the Foundation by solicitation of informal action and consent.

***Section 4 - Vacancies:*** The Board shall fill all vacancies that may occur on said Board as promptly as possible after such vacancy occurs, and any person so chosen to fill such vacancy shall serve for the balance of the term of the predecessor. The manner of filling such vacancy shall be as prescribed in Section 3 of this article.

***Section 5 - Term of Office:***  The Board shall be divided into three Classes, i.e., Class I, Class II, and Class III. Each such Class shall consist, as nearly as possible of 1/3 of the total number of Directors (excluding ex-officio Directors), and any Director(s) elected hereafter shall be included within such Class as the Board shall designate. The first term of office of Class I Directors shall expire at the 2016 annual meeting of the Board; the first term of office of Class II Directors shall expire at the 2015 annual meeting of the Board; and the first term of office of Class III Directors shall expire at the 2014 annual meeting of the board. At each succeeding annual meeting of the Board beginning in 2014, successors to the Class of Directors whose term expires at that annual meeting shall be elected for a three (3) year term. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each Class as nearly equal as possible.

***Section 6 - Duties:*** The Board shall control and be responsible for the general management of the affairs and business of the Foundation. The directors shall in all cases act as a Board, convened as elsewhere herein provided. The Board may adopt such rules and regulations for the conduct of its meetings and the management of the Foundation as it may deem proper, not inconsistent with these Bylaws, the laws of the State of Maryland, and the laws of the United States dealing with tax-exempt status or organizations.

***Section 7 - Meetings****:*  Each year, there shall be four regular meetings of the Board. Such regular meetings shall be held at such time and place as determined by such Board, or as determined by the President of the Board, a Vice President of the Board, or the Chairman of the Executive Committee. Special meetings of the Board may be called at any time by the President of the Board, a Vice President of the Board, or the Chairman of the Executive Committee. The President of the Board or a Vice President of the Board shall call special meetings of the Board of Directors within fifteen days upon the written request of any five directors. The person or persons authorized to call special meetings of the Board may fix the time and place therefore as limited hereunder. The last meeting of the calendar year shall be designated the annual meeting.

***Section 8 - Notice of Meetings****:* Notice specifying the time and place of meetings shall be served upon each director, in person or by mail or by email to his/her last known post office or email address, at least two weeks before the date therein designated for such meeting, including the day of mailing. Such notice shall include a proposed agenda for the meeting, but the matters to be brought before the meeting shall not necessarily be limited to those set forth in the proposed agenda.

***Section 9 - Voting:***At all meetings of the Board, each director, except the ex-officio directors, is entitled to have one vote. The act of a majority of the directors present and entitled to vote at a meeting at which a quorum is present, shall be the act of the Board, except as may be specified otherwise elsewhere in these Bylaws.

***Section 10 - Quorum:***A majority of the voting directors currently serving shall constitute a quorum for the transaction of business at any meeting of the Board.

***Section 11 - Removal:***By action of the Board or the Executive Committee, any director, including an ex-officio director, may be removed at the pleasure of the Board, at any meeting of the Board, by a vote of a majority of directors present and entitled to vote.

***Section 12 - Waiver of Notice:***Whenever by statute, the provisions of the Articles of Incorporation, or these Bylaws, the Board is authorized to take action after notice; such notice may be waived, in writing, before or after the action or meeting requiring such notice, by the person or persons entitled to such a notice.

***Section 13 - Indemnity:*** *To the extent permitted by law,* the Foundation shall indemnify and save harmless each and every director and ex-officio director from all liability arising out of the performance of his or her functions, duties and/or responsibilities, express or implied, under these Bylaws or the Articles of Incorporation of the Foundation.

***Section 14 - Presumption of Assent:***Any director who is present at any meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall forthwith file his written dissent within two business days to such action with the person acting as the Secretary of the meeting. Such right to dissent in writing shall not apply to a director who voted in favor of such action.

***ARTICLE III - OFFICERS***

***Section 1 - Number:*** The officers of the Foundation shall be:

 Elected Officers

President

Vice President(s) - in such numbers and roles as designated by the Board

Secretary

Treasurer

Non-Elected Officers

Immediate Past President, if then serving on the Board of Directors

Executive Vice President

Vice President & Chief Financial Officer

***Section 2 - Election:*** The election of officers to positions subject to the election process as identified hereinabove as shall take place at the annual meeting of the Board by a majority vote of directors present and entitled to vote, and each shall hold office for two years or until his/her successor shall have been elected, except as hereinafter provided. In addition to the officers designated above, the Board may elect additional officers to serve as assistants to the Foundation's Treasurer and/or Secretary. Such elected assistant officers shall perform such services and assume such responsibilities as may be assigned to them by the President of the Foundation or the officers serving in in the positions to which they have been elected as assistants. The Board may elect or appoint such other officers, directors, agents and employees as it shall deem necessary, who shall perform such duties as may be prescribed by the Board.

Those elected to serve as officers of the Foundation may serve no more than three consecutive two year terms in any one of the Elected Officer roles identified above.

***Section 3 - Removal:*** The Board or Executive Committee may remove any elected officer at any time, at its pleasure, by majority vote of directors entitled to vote at any duly constituted g.

***Section 4 - Vacancy:*** A vacancy in any office may be filled by the Board for the balance of the vacant term by majority vote of directors present and entitled to vote at any duly constituted meeting or by written informal action and consent as provided by law. In any instance in which there is a defined limit on the number of terms which may be served by an officer in succession the time served by the successor in completing the term of his/her predecessor shall not be considered in computing the number of successive terms which may be served by the successor.

***Section 5 - Executive Vice President:*** The Vice President for University Advancement of Towson University shall fill the office of Executive Vice President.

***Section 6 - Officers of the Board:*** The office of the President shall be filled by the election of an individual then serving as a member of the Board and who has served for not less than one year as a member of the Executive Committee. The offices of Vice President (or Vice Presidents), Secretary and Treasurer shall be filled by the election of persons who are then serving as voting members of the Board.

***Section 7 - Duties of Officers:*** The duties and powers of the officers of the Foundation shall be as follows:

(a) President

The President shall preside at all meetings of the Board and serve as a member of the Investment Committee, and shall do and perform such other duties as from time to time may be assigned by the Board.

(b) Executive Vice President

The Executive Vice President shall act as the primary intermediary between Towson University and the Foundation and perform such other duties as may be assigned by the President of the Foundation from time to time.

 (c) Vice Presidents

The Board shall determine the number and seniority of Vice Presidents. The senior Vice President in attendance shall preside at all meetings of the Board in the absence of the President and shall perform such other duties as the Board may from time to time assign.

(d) Secretary

The Secretary or the Assistant Secretary shall be responsible for keeping the minutes of all meetings of the Board, giving all notices as required hereunder, keeping all the records of the Foundation and performing such other duties as the Board may assign.

(e) Treasurer

The Treasurer of the Foundation shall supervise all the financial affairs of the Foundation, but shall delegate authority to the Vice President & Chief Financial Officer for the day-to-day financial transactions of the Foundation. The Treasurer shall manage the annual budget and audit process, the periodic financial statement, and other such reports, which he/she deems necessary or appropriate. The Vice President & Chief Financial Officer will keep the Treasurer informed of the financial position of the Foundation and shall submit quarterly financial statements and whatever reports are requested.

(f) Vice President & Chief Financial Officer

The Vice President & Chief Financial Officer is responsible for the day-to-day operations of the Foundation as well as for the preparation of the annual operating budget, managing the outside relationship with the investment consultant of the Foundation's endowment portfolio, and coordinating all aspects of the annual financial statement audit. Among the duties, he/she also acts as liaison to the board of directors and is responsible for the implementation of board approved policies and procedures.

***ARTICLE IV - MEMBERS***

***Section 1 - Definition:***The members of the Foundation shall be its directors.

***ARTICLE V - COMMITTEES***

***Section 1 - Executive Committee:***The Executive Committee shall consist of the officers of the Board, the Chairman of the Investment Committee, and one or more lay members of the Board appointed by the President, and subject to the approval of the Board. During the interval between meetings of the Board, the Executive Committee shall have and may exercise on behalf of the Board all of the authority of the Board in respect to the management of the Foundation. The Executive Committee shall report all of its activities to the Board at the next Board meeting. The presence of a majority of the Executive Committee shall constitute a quorum.

***Section 2 - Governance Committee:*** The Governance Committee (“Committee”) shall be appointed by the President and provides oversight of the Foundation’s structure, and reviews policies and processes to insure compliance with the Foundation’s mission and good governance practices. In addition, the Committee reviews and assesses the participation and engagement of the members of the Board of Directors (“Board”), assists in the identification of candidates for election to the Board, and develops and reviews succession plans related to Directors and Officers.

***Section 3 - Development Committee:***A Development Committee shall be appointed by the President and shall act in cooperation with the Executive Vice President to raise such monies that are needed by the Foundation and to develop process and policy for the acceptance of gifts to the Foundation.

***Section 4 - Investment Committee:*** The Investment Committee shall be appointed by the President. The purpose of the Investment Committee (“Committee”) is to maintain the prudent and effective investment of both the endowment and operating fund portfolios of the Foundation, to formulate and maintain investment policies and guidelines, and to oversee the management of the endowment and operating assets. The Committee is responsible for the endowment and operating investment assets of the Foundation.

The Committee shall have the right to retain all or any part of any securities, monies, or property acquired by the Foundation in whatever manner and to invest and reinvest any funds held by the Foundation without restriction of any kind, provided that no action is a prohibited transaction or would result in the denial, suspension or revocation of tax-exempt status under the United States Internal Revenue Code, as amended, for the Foundation.

***Section 5 – Audit Committee:*** The Audit Committee (“Committee”) shall be appointed by the President and will assist the Board of Directors (“Board”) in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations. The management of the Foundation is responsible for the Foundation’s financial reporting, and for establishing and maintaining the financial, internal control and compliance systems.

***Section 6 – Spending Committee:*** The Spending Committee (“Committee) shall be appointed by the President and will develop and maintain an endowment spending policy that meets the needs of multiple constituencies; the Board of Directors (“Board”), Towson University, the donors and the program recipients. The spending policy must adhere to the rules established by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), adopted by the State of Maryland on April 14, 2009 and incorporated into the Maryland Code of Estates and Trusts, Title 15, Subtitle 4 titled “Maryland Uniform Prudent Management of Institutional Funds Act (“MUPMIFA”).

***Section 7 – Budget/Finance Committee:*** The Budget/ Finance Committee (“Committee”) shall be appointed by the President and will assist the Board of Directors (“Board”) in fulfilling its oversight responsibilities of Foundation financial policy and budget matters. Budgets are an important element of an internal accounting control system. This Committee will be responsible for ensuring that sufficient resources are available to fund operations.

***Section 8 - Additional Committees:*** The President may direct the creation of any additional committees deemed necessary for the function of the Foundation and appoint the Chair and members of such committees.

***ARTICLE VI - FISCAL YEAR***

The fiscal year of the Foundation shall begin July 1 and end June 30 of the following year.

***ARTICLE VII – CONFLICTS OF INTEREST***

All known conflicts of interest existing between any officer and Board member of the Foundation and the interests or purposes of the Foundation shall be disclosed to the entire Board, and the provision of the Corporations and Associations Article of the Annotated code of Maryland governing interested director transactions are specifically made applicable to the Foundation.

***ARTICLE VIII - EXECUTION OF INSTRUMENTS***

***Section 1 - Instruments Generally:*** Contracts and other instruments (not including routine instruments) to be executed by the Foundation shall be signed, unless otherwise required by law, by any two of the following: the President, the Executive Vice President, the Secretary, the Vice President & Chief Financial Officer and the Treasurer. The Vice President & Chief Financial Officer of the Foundation signing alone is authorized and empowered to execute in the name of the Foundation all routine instruments arising in the daily operation of the business of the Foundation. The Vice President & Chief Financial Officer may delegate to other persons his/her authority to sign such routine instruments in his/her absence, with the approval of the Board.

***Section 2 - Notes, Check, etc.:***All notes, drafts, acceptances, checks, endorsements, and evidences of indebtedness of the Foundation shall be signed by such person or persons as set forth in Section 1 of this Article.

***Section 3 - Deposits:***All funds of the Foundation shall be deposited to the credit of the Foundation in such banks, trust companies, or other depositories as directed by the Board.

***Section 4 - Grant of Funds:***The funds of the Foundation shall be used solely for the purposes specified in the charter and shall be paid to or for the benefit of Towson University or its successor institution or institutions.

***Section 5 - Prohibited Use of Funds:*** The funds of the Foundation shall not be expended in a manner contrary to the policy, practice or specific arrangements of Towson University or its successor institution or institutions. In accordance with the University System of Maryland Board of Regents Policy on Affiliated Foundations, Section IX – 2.00, the Foundation may reimburse the University wages, fees, or other compensation to any staff member or employee of Towson University.

***ARTICLE IX - EARNINGS***

***Section 1 - Earnings:***No member, director, officer, employee or any other person shall receive at any time any of the net earnings or pecuniary profit from the operations of the Foundation except that nothing shall prevent the payment of reasonable compensation for services rendered to or for the Foundation in pursuance of any of its purposes, such compensation to be fixed by the Board.

***ARTICLE X - AMENDMENT***

***Section 1 - Bylaws:***These Bylaws may be altered, amended, repealed or added to by the majority vote of the directors present and entitled to a vote at any regular or special meeting of the Board for which two weeks-notice shall be given for such alterations, amendments, deletions or additions.

***Section 2 - Articles of Incorporation:***The Articles of Incorporation of the Foundation may be altered, amended, added to or substituted by the majority vote of the directors present and entitled to vote at any regular or special meeting of the Board, after call and at least ten days-notice on such alterations or amendments.

*Amended by Board of Directors May 25, 2008*

*Amended by Board of Directors November 1, 2010*

*Amended by Board of Directors February 15, 2012*

*Amended by Board of Directors August 12, 2013*

*Amended by Board of Directors August 19, 2014*

*Amended by Board of Directors October 21, 2014*

*Amended by Board of Directors May 10, 2016*

*Amended by Board of Directors via email unanimous consent, January 9, 2017*

*Amended by Board of Directors via Board Approval May 8, 2018*