

Dakota State University

Board of Trustees Manual

DSU Foundation

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Roles and Responsibilities of DSU Foundation Board of Trustees

The Foundation's Role

By definition, the Foundation is a non-profit corporation that promotes, encourages, and aids educational projects and scientific investigations and research. It solicits, accepts, and holds gifts to the University for the purpose of investment. These gifts are held in accounts according to the activities or objectives specified by the donor.

These accounts include scholarship and program endowment funds, term endowment funds, annuity and life income funds, annual scholarship funds, and other miscellaneous restricted and non-restricted funds.

Annual programs are supported by donor gifts received each year that are expended for direct program support. Annual programs also include efforts of the DSU Phonathon Workers who contact alumni and friends to update them on activities and ask them for assistance.

Endowed programs are vital for the long-term, secure funding of many programs. The Foundation manages assets left in its trust with a commitment to ensure that an endowed gift retains its relative value over time. Only a percentage of the earnings produced from the investment of the assets in the endowed account are used for program support. Thus, the original gift continues to grow and expand to support additional awards in the future and provides a perpetual program-funding source.

Meeting DSU's Needs

The Foundation exists because alumni, friends, DSU faculty and students make it possible. Their gifts, bequests, assignment of assets and commitment of time and effort provide the means for the Foundation to promote, encourage and aid educational projects and scientific investigation and research at DSU.

Throughout this country, sufficient funding of the nation's institutions of higher learning has become more difficult. Funding from government sources has declined greatly as a portion of total needs over the past 40 years. In order to maintain essential standards of quality, educators have turned to the private sector for help.

The response in many instances has been generous. It has permitted universities to improve their educational and research capabilities at a greater rate and level than they could have achieved solely through state and federal support. DSU is no exception. It has experienced many of the problems associated with the changing patterns in funding. Only by turning to its graduates and friends has it been able to continue to maintain the academic levels, the research accomplishments, and vitality that it has achieved during more than a century of service to the people of South Dakota, the region, and beyond.

Board of Trustees

Policy control of the Foundation and its property is vested in a Board of Trustees, which consists of not less than 15 members. The President of Dakota State University and the president and vice president of the DSU Alumni Association are ex-officio members of the Board with voting privileges. The full Board of Trustees meets semi-annually, with additional committee meetings and events scheduled throughout the year.

An Executive Committee is elected annually by the Board of Trustees and is charged with the management responsibilities of the Corporation. The Executive Committee meets at least quarterly.

Statutory officers of the corporation are the Chairman, who serves as the chief officer of the corporation and presides over Executive Committee meetings, and a Vice Chair. DSU Foundation staff serve as Secretary and Treasurer. The Chairman and Vice Chair establish the agenda for the Executive Committee; advise the staff on questions of accounting and solicitation; review gifts; and preview the Foundation's plans and budgets prior to submission to the Executive Committee. Members of the Board of Trustees are named by the Chairman to committees, with the approval of the Board and plan and oversee programs for the Foundation.

Members of the Board of trustees are asked to be active participants in the Foundation's continuing efforts to help DSU accomplish its mission. This means that Board members have the primary voice in setting policy for the Foundation, adopting plans and establishing goals. While a position on the board carries considerable honor, board members are also expected to commit time, effort, talents, and resources toward the Foundation's goals.

Specifically, these activities are required of members of the Board of Trustees:

- Planning and counsel in fundraising for the DSU Foundation
- Counsel and expertise in Foundation activities
- Serving as a "watchdog" for fiscal responsibility
- Regular attendance at Board meetings
- A commitment of time to serve on committees
- Contributions in board member's area of expertise
- Fundraising, including personal gifts, cultivating and soliciting donors, and assisting professional staff in fundraising
- Personal ambassadorship for DSU in Board member's circle of influence
- Assistance in recruiting Board members

The Foundation looks for the following qualities in Board members:

- Leadership
- Genuine loyalty to and interest in Dakota State University
- Willingness to expend resources, creative energy and expertise toward achieving Foundation goals

The rewards of serving on the Dakota State University Foundation Board of Trustees come from a number of sources. Most alumni who have served on the Board will attest to the personal satisfaction of returning a portion of the debt one feels toward his or her alma mater. Beyond that, however, for both alumni and non-alumni Board members, are the opportunities for close ties with the University, intimate involvement in the life of the campus, and the opportunity to bring a perspective which can provide encouragement and support to the University.

Duties of Officers and Standing Committees

Chairman, Board of Trustees and Executive Committee

The Chairman presides over Executive Committee meetings and performs all duties required of the Chairman by law and as prescribed by the Board of Trustees. By tradition and current practice, the Chairman approves the agenda of Executive Committee meetings and coordinates activities of standing, special, and ad hoc board committees. The Chairman is authorized by the Board of Trustees to sell, assign, and transfer cash, stock, other securities and other properties of the Corporation. The Chairman is elected at the Board's annual meeting to serve one two-year term.

Vice Chair, Board of Trustees and Executive Committee

The Vice Chair presides over Executive Committee meetings in the absence of the Chairman and performs all duties required of the Vice Chair by law and as prescribed by the Board of Trustees. The Vice Chair is authorized by the Board of Trustees to sell assign, and transfer cash, stock, other securities, and other properties of the Corporation. The Vice Chair is elected at the Board's annual meeting to serve one, two-year term.

The Executive Committee

The Executive Committee shall be comprised of the Chairman, the Vice Chair, the Secretary, the Treasurer, the President, and other members of the Board of Trustees as the Chairman may recommend. With the exception of the Chairman, the Vice President, the Secretary, the Treasurer and the President, the Board of Trustees must approve the recommendations of the Chairman for nominees to the Executive Committee.

The Executive Committee shall have no less than eight (8) nor more than twelve (12) members. The Executive Committee shall have and may exercise during the interval between meetings of the Board of Trustees all the powers vested in the Board of Trustees with the exception of (a) power to fill vacancies on the Board of Trustees, and (b) power to change the Articles of Incorporation or By-Laws.

The Executive Committee may meet at any time when the Board of Trustees is not in session and may be prescribed by the Board of Trustees or may be called by the Chairman or by any three (3) members of the Executive Committee by mailing notice of such meeting designating the time and place of such meeting to the last known address of each member of the Executive Committee at least three (3) days prior to the meeting; or by personal notice of such meeting given a sufficient length of time to enable the member to attend.

The Executive Committee shall keep minutes of all meeting and business transacted therein and shall submit a report along with a copy of the minutes of its proceedings to the Board of Trustees in a timely manner.

The Investment and Finance Committee

The Investment and Finance Committee shall be comprised of several Directors and if deemed appropriate by the Chairman up to three (3) non trustee members. This committee shall consist of not less than six (6) members. The chair and members of the committee are appointed by the Chairman with the approval of the Board of Trustees. The purpose of this committee shall be (a) to manage, supervise and set policy for the investment and management of all assets of the Foundation; (b) to supervise on behalf of the Board of Trustees the care and custody of all monies and securities of the Foundation; (c) to arrange for or conduct an annual review or audit of the Foundation's accounts and assets; (d) to prepare and present the annual budget and financial statements.

The Nominating Committee

The Nominating Committee shall be comprised of not less than five (5) members of the Board of Trustees. The chair and members of the committee are appointed by the Chairman with the approval of the Board of Trustees. The purpose of the Nominating Committee is to seek out and make recommendations as to prospective members of the Board of Trustees and committees. This committee shall also recommend a slate of officers for presentation to the Board of Trustees at the annual meetings.

Other committees may be appointed by the Chairman. Unless otherwise specified committees must report their findings to the Board of Trustees at the meetings following their appointment.

Conflict of Interest

A conflict of interest arises in any situation in which a DSU Foundation representative is involved in an activity which could adversely affect his or her judgment with respect to the business of the DSU Foundation or otherwise diminish the interest of the DSU Foundation.

It is the goal of the DSU Foundation that all Board decisions be made absent a conflict of interest and that even the appearance of a conflict of interest be avoided. In order to accomplish this objective, it is essential that Board of Trustees members disclose any conflict or potential conflict of interest.

DSU Foundation Board of Trustees Job Description

1. Assist staff to raise private contributions for the Dakota State University Foundation.
 - A. Make personal contributions in support of the DSU Foundation.
 - B. Assist in identification of prospective contributors for DSU Foundation
 - C. Assist in cultivation and solicitation of prospective contributors

2. Participate in governance and advocacy.
 - A. Provide the Foundation Board and University President with advice and counsel.
 - B. Serve, where appropriate, as DSU Foundation and DSU's advocate with key political, corporate, and alumni figures in order to heighten awareness of DSU's needs and activities statewide and nationally.
 - C. Serve on committees as assigned and attend Board meetings as scheduled.
 - D. Participate in setting and maintaining the DSU Foundation's Board policies.

3. Assist staff with the development of strategies to educate alumni and friends about DSU's needs.

Criteria for Nomination and Re-election to the Board

- A. The potential candidate list will be updated and revised at least once annually prior to the first meeting of the Nominating Committee in each calendar year.
- B. The following criteria will be used in deliberations on recommending persons to the full Board for election to the Board:
 - 1. Compatibility with the goals and interests of the Foundation and the University.
 - 2. Capacity to enhance, directly or indirectly, the goals of the Foundation, including the use of the candidate's talent, resources, contacts and interest in broadening the University on a state, national, and international level.
 - 3. Commitment of the candidate to contribute financial support annually and willingness to perform services for the Foundation, Board, and University; and to participate in Board meetings and Foundation and University activities, including committee meetings.
 - 4. Connection to the University or the State of South Dakota, including past and current contributions to the University and the Foundation in terms of contributions and time expended on University or Foundation activities.
 - 5. Reputation for qualities of leadership and/or accomplishments in the prospect's business, professional or community activities with special emphasis on any role, or roles, the person had with Dakota State University or higher education.
 - 6. Geographic representation appropriate with University recruiting programs and alumni concentrations.
 - 7. Diversity as to gender, race, vocation, and academic preparation.
 - 8. Agreement and willingness of a candidate to follow the Foundation's written job description for a Trustee.
 - 9. Election of the candidate to the Board will not create any conflict of interest between the vocation or business interest, or between personal activities of the individual and the Board or University.
- C. Criteria for reelection to the Board.

The Nominating Committee should evaluate the activities of Trustees up for reelection to determine if they:

- 1. Have had a responsible attendance record at Committee and Board meetings.
- 2. Have made annual contributions to the Foundation and spent time on Board or Foundation projects and activities.
- 3. Are physically and mentally able to participate in Board and/or University activities.
- 4. In general have made apparent by actions or interests their satisfactory performance as measured by criteria for original nomination to the Board.

D. Board structure and term limit

1. Change the Board of Visitors to Friends of the Foundation
2. Following two consecutive terms, members will be invited to become Friends of the Foundation.
3. The Nominations Committee can recommend to the Executive Committee that the criteria for term limits be waived on an individual basis.