

OPERATION PROCEDURES FOR THE BOARD OF TRUSTEES OF THE ENDOWMENT FUND OF THE NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

1. ARTICLE I – ORGANIZATION

1.1 Membership

1.1.1 The Board of Trustees of the Endowment Fund of the North Carolina School of Science and Mathematics (the Endowment Fund) shall consist of no fewer than six members and no more than nine members:

1.1.1.a. Three members shall be elected by the Board of Trustees of NCSSM to staggered three-year terms, with one member being elected each year;

1.1.1.b. In addition, the Chair of the Board of Trustees of NCSSM, the Chair of the Institutional Advancement Committee, and the Chancellor shall serve as voting ex officio members of the Endowment Fund.

1.1.2 In the event of a vacancy due to the death, resignation or inability to serve by an elected member of the Board of Trustees of the Endowment Fund, the Board of Trustees of NCSSM will elect a person to fill the unexpired term.

1.1.3 In considering nominations to the Endowment Board, the Chair of the Board of Trustees will take into consideration individuals who (a) have experience / expertise in investments, or (b) bring special skills or talents to the Endowment Board. Special consideration shall be given to members of the Finance, Audit and Human Resources Committee.

1.1.4 Whereas it is desirable to have present or former members of the Board of Trustees of NCSSM as members of the Endowment Fund, this is not a prerequisite for candidacy.

1.1.5 Members of the Board of Trustees of the Endowment Fund may not be elected to more than two full three-year terms. New trustees elected to succeed trustees whose full terms are completed will be elected at the last regular meeting of the academic year of the Board of Trustees of NCSSM.

2. ARTICLE II – MEETINGS

2.1 Regular Meetings

2.1.1 When the Endowment Fund carries a balance, the Board of Trustees of the Endowment Fund shall hold a minimum of two regular meetings in the course of each academic year. Such meetings shall be held in

September and February; special meetings may be called by the Chair or upon request of three other members.

2.1.2 An annual report shall be made by the Board of Trustees of the Endowment Fund to the Board of Trustees of NCSSM. Additional reports may be made as necessary.

2.2 Quorum

2.2.1 The presence of the majority of the members of the Board in office immediately before a meeting begins shall constitute a quorum for the transaction of business. Also, a quorum can be achieved by a majority if the meeting is held by teleconference.

2.3 Actions Between Regular Meetings

2.3.1 Between regular meetings of the Board, routine matters of business may be dealt with by written ballot and without a meeting if such is deemed appropriate by the Chair. Any action taken by this method must be reported to the Board at its next regular meeting.

3. ARTICLE III – OFFICERS

3.1 Officers

3.1.1 There shall be five officers:

3.1.1.a. Chair – The Chair of the Board of Trustees at NCSSM shall be ex officio Chair of the Board of Trustees of the Endowment Fund of North Carolina School of Science and Mathematics. The Chair shall preside at all meetings of the Endowment Fund Board of Trustees and have all powers and duties incident to such office. The Chair shall conduct and have charge of the affairs of the Endowment Fund subject to approval of a majority of the Endowment Fund Board of Trustees. The Chair shall provide a summary report of actions taken at each meeting of the Endowment Fund Board of Trustees to the NCSSM Board of Trustees at their next regularly scheduled meeting.

3.1.1.b. Vice Chair – The Chair of the Institutional Advancement Committee of the Board of Trustees at NCSSM shall be ex officio Vice Chair of the Board of Trustees of the Endowment Fund. In the absence of the Chair, the Vice Chair shall preside at any meeting of the Board and otherwise perform the duties of the Chair.

3.1.1.c. Secretary – The Chancellor shall serve ex officio as Secretary of the Endowment Fund. The Secretary shall be responsible for the minutes of all meetings of the Endowment Fund Board of Trustees, shall give notice of all meetings, shall keep all records and papers of the Endowment Fund

Board, and shall conduct the general correspondence and such special communications as directed by the Chair.

3.1.1.d. Treasurer – The Vice Chancellor for Finance and Operations shall serve ex officio (non-voting) as Treasurer of the Endowment Fund. The Treasurer shall be responsible for the disbursement of funds, including approval of annual endowment spending budgets in accordance with the board-approved spending policy, and shall have charge of all finances of the Endowment Fund, under the direction of the Endowment Fund Board of Trustees, and shall keep accurate accounts of all receipts and disbursements. The Treasurer is authorized to present gifts to the Board of Trustees of the Endowment Fund, for their acceptance, on behalf of the Chancellor. The Treasurer is authorized by the Endowment Fund Board of Trustees to buy stocks, bonds, or other securities, and to sell, trade, assign, endorse and deliver for transfer stocks, bonds, or other securities, and to sell or assign any other type of real or personal property; now or hereafter registered in the name of, or held by, the Endowment Fund of the North Carolina School of Science and Mathematics. The Treasurer is authorized on behalf of, and in the name of the Board of Trustees of the Endowment Fund of the North Carolina School of Science and Mathematics, to sign any and all other financial documents requiring the signature of the Board of Trustees of the Endowment Fund of the North Carolina School of Science and Mathematics.

3.1.1.e. Assistant Treasurer – The NCSSM Director for Budget and Finance shall serve ex officio (non-voting) as the Assistant Treasurer of the Endowment Fund, and shall act on behalf of the Treasurer in the Treasurer's absence or as delegated by the Treasurer, and is authorized at the same level as the Treasurer.

4. ARTICLE IV: CONFLICT OF INTEREST

4.1 Any corporate transaction in which a Trustee has a direct or indirect interest must be authorized, approved, or ratified in good faith by a majority of the Trustees who have no direct or indirect interest in the transaction even though less than a quorum; provided, however, no such transaction shall be authorized, approved, or ratified by a single Trustee. For purposes of this Section, a Trustee has an indirect interest in a transaction if:

4.1.1 Another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or

4.1.2 Another entity of which he is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the Board.

5. ARTICLE V: POWERS AND DUTIES

5.1 By reference herein, the Endowment Fund Board of Trustees recognizes North Carolina General Statute 116-36 “Endowment fund” and UNC Policy Manual Sections 600.2.1. “Endowment Funds” and 600.2.1.2[G] “Guidelines on Creating and Operating Endowment Funds” and the powers and duties contained therein, including but not limited to:

5.1.1 Acceptance of gifts, donations and bequests

5.1.2 Disposal of property, real or personal, of the Endowment Fund

5.1.3 Prudent investment of the endowed funds

5.1.4 Appointment of a fiscal agent or agents

5.1.5 Expenditure of principal and income in strict accordance with terms of the gift, devise, or bequest

5.1.6 Establishment of a prudent endowment spending policy

5.1.7 Submission of a comprehensive report annually to the Board of Governors through NCSSM Board of Trustees

6. ARTICLE VI: AMENDMENT

6.1 These bylaws may be amended at any regular or special meeting of this Board by an affirmative vote of a majority of the members present and voting, subject to such terms and conditions as may be prescribed by the Board of Governors of The University of North Carolina and the Board of Trustees of the North Carolina School of Science and Mathematics.

Adopted May 25, 2018