

# **Lock Haven University Foundation BY-LAWS**

## **ARTICLE I – PURPOSES**

The purpose of the Lock Haven University Foundation shall be as set forth in its Articles of Incorporation. Such purpose shall include, but not be limited to, serving as the authoritative body to approve and coordinate all fundraising activities carried out on behalf of Lock Haven University; with this authority comes the responsibility of the LHU Foundation Board to pursue gifts for University needs as established through the Office of the President of Lock Haven University.

## **ARTICLE II – DIRECTORS**

**Section 1 – Number:** There shall be no fewer than fifteen (15) and no more than thirty (30) Directors, excluding ex-officio Directors, as hereinafter provided.

**Section 2 – How Elected:** Election of Directors may be held at the regular annual meeting of the LHU Foundation Board by a two-thirds vote of those Directors then in office and entitled to vote.

**Section 3 – Nominations:** Nominations for election of Directors may be made by the Nominating Committee or by any Director, excluding ex-officio Directors, and the Board shall act upon such nominations, at the regular annual meeting of the LHU Foundation Board.

**Section 4 – Vacancies:** The LHU Foundation Board may fill by a two-thirds majority vote at any duly constituted meeting of the Board any vacancy arising when for any reason any director is unable to complete his or her term. Each person so elected shall serve for the balance of the unexpired term of the person he or she has replaced.

**Section 5 – Term of Office:** All Directors, except ex-officio Directors, shall serve a term of three (3) years, subject to the

provision of Section 12 of this article. All Directors, except ex-officio Directors, shall be assigned to one of three calendar year classes.

**Section 6 – Duties:** The LHU Foundation Board shall 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 By-Laws, the laws of the Commonwealth of Pennsylvania, and the laws of the United States dealing with tax-exempt status of organizations.

**Section 7 – Meetings:** There shall be a regular annual meeting held at such time during the fall semester of the Lock Haven University academic year and place as determined by the LHU Foundation Board or its President. Other meetings may be called at any time by the Foundation President or Vice President, or upon the written request of any five (5) Directors. The person or persons authorized to call special meetings of the Board may fix the time and place therefore as limited hereunder.

**Section 8 – Notice of Meetings:** Notice specifying the time and place of meetings shall be served upon each Director, in person, by facsimile, by mail to the last known post office address, or electronically with the prior consent of the director receiving notice electronically, at least ten (10) days before the date therein designated for such meetings, including the day of mailing.

**Section 9 – Quorum:** A quorum shall consist of one-half of the Directors, plus one, present and entitled to vote when the meeting is called to order. A quorum is needed to conduct official business of the LHU Foundation.

**Section 10 – Voting:** At all duly constituted meetings of the LHU Foundation Board, each Director, except the ex-officio Directors, are entitled to have one vote. The act of a majority of the Directors present and entitled to vote shall be the act of the Board, except as may be otherwise specified elsewhere in these By-Laws.

**Section 11 – Removal:** Any Director, except an ex-officio Director, may be removed for cause by a vote of two-thirds of the Directors then in office. A Director who is absent three (3) consecutive meetings or who does not meet the Board established minimum

annual giving requirement shall be automatically removed as a Director of the LHU Foundation Board.

**Section 12 – Annual Giving Requirement:** Directors shall be required to make an annual gift to the LHU Foundation the minimum amount of which shall be as determined by the LHU Foundation Board from time to time.

**Section 13 – Presumption of Assent:** Any Director who is present at any meeting of the LHU Foundation Board at which action on any matter is taken shall be presumed to have voted in the affirmative unless his or her negative vote has been registered in the minutes or unless permitted to abstain by the President due to a legitimate conflict of interest. The right to dissent in writing shall not apply to a Director who voted in favor of such action.

**Section 14 – Compensation:** All Directors shall serve without pay. However, LHU Foundation Board members may be compensated for work unrelated to the scope of their duties as Board Members.

**Section 15 – Conflict of Interest:** Each Director shall use his/her own discretion in determining whether a conflict exists on any issue that comes before the full LHU Foundation Board or a Committee of the Board for consideration, and whether to abstain from voting on such issues. Careful attention should be given to matters involving Foundation business in which the Director has a personal interest, such as contracts or agreements with business interests in which the Director has a financial stake. Directors who also serve as members of the Council of Trustees of Lock Haven University and/or any other volunteer board of the University may be exposed to a conflict of interest on matters that pertain to the relationship between the Foundation and the University, particularly those involving contractual relationships, agreements, and financial matters. It is the responsibility of each Director who also serves as a member of the Council of Trustees and any other volunteer board of the University to determine whether a conflict of interest exists on any matter under consideration by the Foundation Board.

**Section 16 – Use of Conference Telephone:** Directors may participate in a meeting of the LHU Foundation Board of Directors by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

## **ARTICLE II – DIRECTORS**

**Section 17 – Emeriti:** When a director’s term is completed, the individual will have the opportunity to accept emeriti director status. Emeriti directors may attend regular board meetings, and may be invited to committee meetings. Emeriti directors are not entitled to vote, but can offer discussion. Each outgoing member will be given the opportunity to accept emeriti status pending full completion of term without removal by cause. The Executive Director will keep a list of emeriti directors and will ensure emeriti directors are notified of regular board meetings.

### **ARTICLE III – OFFICERS**

**Section 1 – Number:** The officers of the LHU Foundation shall be: President, Vice President, Treasurer, and Secretary.

**Section 2 – Election:** The officers of the LHU Foundation shall be elected from the membership of the Foundation Board at the duly constituted annual meeting held in odd-numbered calendar years by a

two-thirds vote of the Directors present and entitled to vote. Each shall hold office for two (2) years or until his or her successor shall have been elected, except as herein provided. Beginning with the election of officers at the annual meeting in 2009, the President and Vice President shall not serve in the same office for more than two (2) consecutive terms. The Foundation Board may elect or appoint such other officers, agents and employees as it shall deem necessary, who shall perform such duties as may be prescribed by the Board.

**Section 3 – Removal:** An officer may be removed by a vote of two-thirds of the Directors then in office.

**Section 4 – Vacancy:** A vacancy in the office of President, Secretary, or Treasurer shall be filled by the LHU Foundation Board for the balance of the vacant term by majority vote of the Directors present and entitled to vote. A vacancy in the office of the Vice President may be filled by the LHU Foundation Board for the balance of the vacant term by majority vote of the Directors present and entitled to vote.

**Section 5 – Executive Director:** The LHU Foundation Board shall appoint an Executive Director who shall serve at the will of the LHU Foundation Board and may be removed by the LHU Foundation Board whenever, in its judgment, the best interest of the LHU Foundation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The Executive Director shall be Chief Operating Officer of the LHU Foundation. The Executive Director shall have supervision over the activities, affairs and properties of the LHU Foundation; shall have and exercise general authority; and, shall perform duties subject to the guidance and direction of the President of the Foundation Board. The Executive Director shall arrange for annual external audits; receive, analyze, and approve the annual audits, and periodic financial statements and other such reports which are deemed necessary and appropriate. The Executive Director shall keep the Treasurer informed of the financial position of the Foundation and shall submit timely financial statements and whatever reports are requested for the Treasurer's information. The

Executive Director shall be responsible for keeping the minutes of all meetings of the Board, giving all notices as required hereunder, keeping all records of the Foundation and performing such other duties as the board may assign. The Executive Director shall also perform such additional duties and shall be vested with such additional powers as shall be assigned from time to time by the Executive Committee.

**Section 6 – Duties of Officers:** The duties and powers of the officers of the LHU Foundation shall be as follows:

a. **President** – The President shall preside at all meetings of the board and shall do and perform such duties as from time to time may be assigned by the Foundation Board and shall execute documents and contracts.

b. **Vice President** – The Vice President shall preside at all meetings of the Foundation Board in the absence of the President and shall perform such other duties as the Board may from time to time assign and shall execute documents and contracts when appropriate.

c. **Secretary** – The Secretary shall perform such duties as the Foundation Board may assign or as required by law and shall execute documents and contracts.

d. **Treasurer** – The Treasurer shall supervise all the financial affairs of the LHU Foundation, but may delegate authority to the Executive Director for the day-to-day financial oversight of the Foundation. The Treasurer shall advise and assist the Executive Director in the carrying out of the financial affairs of the Foundation.

#### **ARTICLE IV – MEMBERS**

The members of the LHU Foundation shall be the Directors of the Foundation.

#### **ARTICLE V – COMMITTEES**

**Section 1 – Executive Committee:** The Executive Committee shall consist of the Officers of the LHU Foundation Board and two (2) members of the LHU Foundation Board who are not Officers of the LHU Foundation Board who are to be appointed by the Foundation President, with the advice and consent 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 on matters where time is of the essence. The Executive Committee shall report all of its activities to the Board at the next

Board meeting, for ratification or disapproval by the Board. The use of disapproval should be limited and shall not be used in cases which would result in a breach of contract with a third party. A

majority of the Executive Committee shall constitute a quorum. The President or his or her designee shall serve as chair of the Executive Committee.

**Section 2 – Nominating Committee:** A Nominating Committee shall be appointed by the President and it shall present a slate of Officers to the LHU Foundation Board at the annual meeting, and the Committee shall also nominate individuals as candidates for election as Directors.

**Section 3 – Athletics and Camps Committee:** The Athletics and Camps Committee shall be a permanent Committee consisting of no more than ten (10) members. Members of the Committee shall be appointed by the Foundation President. Recommendations of the Committee Members then serving shall be taken into consideration by the President in making such appointments.

**Section 4 - Finance and Investment Committee:** The Finance and Investment Committee shall be a permanent Committee. The Committee shall provide oversight and management of all financial matters related to the LHU Foundation. Members of the Committee shall be appointed by the Foundation President.

**Section 5 – Additional Committees:** Any additional Committees deemed necessary for the function of the LHU Foundation may be appointed by the President of the Foundation.

**Section 6 – Committee Chairs:** The LHU Foundation President shall annually appoint all Committee Chairpersons.

## **ARTICLE VI – FISCAL YEAR**

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

## **ARTICLE VII – SEAL**

The seal of the Foundation shall be maintained by the Executive Director.

## **ARTICLE VIII – EXECUTION OF INSTRUMENTS**

**Section 1 – Instruments, Generally:** Contracts and other instruments to be executed by the LHU Foundation shall be signed by the Executive Director or members of the Executive Committee, unless otherwise required by law. The President or Executive Director 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.

**Section 2 – Deposits:** All funds of the LHU Foundation shall be deposited to the credit of the Foundation in such banks, trust companies, or other depositories at the discretion of the Foundation Board.

**Section 3 - Grant of Funds:** The funds of the LHU Foundation shall be used solely for the purposes specified in the charter and shall be paid to or for the benefit of Lock Haven University or its successor institution or institutions.

**Section 4 – Vouchers:** Any funds of the LHU Foundation applied to pay travel, entertainment or other expenditures of any individual shall be so paid only against itemized and signed vouchers consistent with policies of the Board of Directors as established from time to time.

## **ARTICLE IX – AMENDMENT**

**Section 1 – By-Laws:** These By-Laws may be amended by a vote of two-thirds of the Directors entitled to vote for which two (2) weeks written notice shall be given for such alterations, amendments, deletions or additions. Said notice shall include a copy of the proposed amendments or a summary of the changes to be effected thereby.

**Section 2 – Articles of Incorporation:** The Articles of Incorporation of the Lock Haven University Foundation may be amended by a vote of two-thirds of the Directors entitled to vote for which two (2) weeks notice shall be given for such alterations, amendments, deletions or additions.

## **ARTICLE X – RULES OF ORDER**

All meetings of the Board of Directors of the Lock Haven University Foundation shall be conducted in accordance with the latest published edition of Robert's Rules of Order; provided that in the

event of any inconsistency between the By-Laws of the LHU Foundation and Robert's Rules of Order, then the By-Laws of the Lock Haven University Foundation shall be controlling.

## **ARTICLE XI – INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES**

**Section 1 – Indemnification in Third Party Proceedings.** The LHU Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the LHU Foundation) by reason of the fact that he or she is or was a representative of the LHU Foundation, or is or was serving at the request of the LHU Foundation as a representative of another foundation for-profit or nonprofit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the LHU Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere*, or its equivalent shall not or itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the LHU Foundation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**Section 2 – Indemnification in Derivative Actions.** The LHU Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the LHU Foundation. No indemnification shall be made in respect of any claim, issue or matter as to which the person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the LHU Foundation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and

reasonably entitled to indemnity for such expenses which the court shall deem proper.

**Section 3 – Mandatory Indemnification.** To the extent that a representative of the LHU Foundation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Article XI, Sections 1 or 2, that representative shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

**Section 4 – Determination of Entitlement to Indemnification.**

Unless ordered by a court, any indemnification under Article XI, Sections 1 or 2 shall be made by the LHU Foundation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in those actions. The determination shall be made:

- (1) by the Board by vote of Directors who were not parties to the action, suit or proceeding; or
- (2) by independent legal counsel in a written opinion, if a quorum is not obtainable.

**Section 5 – Advancing Expenses.** Expenses (including attorneys' fees) incurred in defending any action or proceeding referred to in Article XI, Sections 1 and 2 may be paid by the LHU Foundation in advance upon receipt of an undertaking by or on behalf of the representative to repay the amount advanced if it is ultimately determined that he or she is not entitled to be indemnified by the LHU Foundation.

**Section 6 – Insurance.** The LHU Foundation shall have the power to purchase and maintain insurance on behalf of any person who is or was a representative of the LHU Foundation or is or was serving at the request of the LHU Foundation as a representative of another foundation for-profit or nonprofit, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her, in any capacity or arising out of that person's status, whether or not the LHU Foundation would otherwise have the power under this Article to indemnify him or her against that liability.

**Section 7 – Reliance on Provisions.** Each person who shall act as an authorized representative of the LHU Foundation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

LHU Foundation By-Laws  
Revised February 13, 2009  
Revised October 16, 2009  
Revised June 24, 2010

Revised October 21, 2011

By-Laws 10-11