

**WEST CHESTER UNIVERSITY
ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2008**

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Statement of Financial Position
June 30, 2008

ASSETS

Current assets

Cash and cash equivalents	\$ 54,583
Investments (Note 4)	1,072,509
Accounts receivable	11,549
Prepaid expenses	<u>896</u>
Total current assets	<u>1,139,537</u>

Fixed assets (net of depreciation) (Note 5)

	<u>53,979</u>
Total assets	<u>\$ 1,193,516</u>

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 2,992
Current portion of pledges payable (Note 6)	<u>15,000</u>
Total current liabilities	<u>17,992</u>

Noncurrent liabilities

Long-term portion of pledges payable (Note 6)	<u>85,000</u>
Total liabilities	<u>102,992</u>

Net assets

Unrestricted - designated for contingency	397,695
Unrestricted - designated for Alumni House	<u>485,238</u>
Total unrestricted	<u>882,933</u>
Temporarily restricted (Note 3)	<u>207,591</u>
Total net assets	<u>1,090,524</u>
Total liabilities and net assets	<u>\$ 1,193,516</u>

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Statement of Cash Flows
For the Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributors and grants	\$ 89,627
Cash payments to suppliers	(112,068)
Interest income	<u>24</u>
Net cash provided by (used for) operating activities	<u>(22,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investments	117,000
Cash paid to acquire investments	<u>(40,000)</u>
Net cash provided by (used for) investing activities	<u>77,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>0</u>
Net increase (decrease) in cash and cash flow	54,583
Cash and cash equivalents--July 1, 2007	<u>0</u>
Cash and cash equivalents--June 30, 2008	<u>\$ 54,583</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
FLOW FROM OPERATING ACTIVITIES**

Change in net assets	\$ <u>(206,075)</u>
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities	
Depreciation expense	9,020
(Appreciation) Depreciation on investments	129,741
Realized (gain) loss on sale of investments	(19,623)
Interest and dividends reinvested in long-term investments	(36,106)
Investment fees	4,234
Changes in assets and liabilities:	
(Increase) Decrease in accounts receivable	1,406
(Increase) Decrease in prepaid	(896)
Increase (Decrease) in cash overdraft	(6,693)
Increase (Decrease) in accounts payable	2,575
Increase (Decrease) in pledges payable	<u>100,000</u>
Total adjustments	<u>183,658</u>
Cash provided by (used for) operating activities	<u>\$ (22,417)</u>

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Notes to Financial Statements
June 30, 2008
(Continued)

Investments

The Association has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to produce Association programs. The value of this contributed time is not reflected in these statements, since it is not susceptible to objective measurement or valuation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Property and Equipment

Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded at cost, if it is known, or at estimated fair value. Property and equipment are depreciated using the straight-line method over their estimated useful lives. The Association's policy is to capitalize all purchases greater than \$1,000.

Contributions and Donations

Cash contributions and donations of property and equipment are considered to be unrestricted support unless they are specifically restricted by the donor. Restricted donations are classified as permanently restricted net assets or temporarily restricted net assets, depending on the nature of the restrictions. After the restrictions of time or use are fulfilled, the assets are reclassified as unrestricted net assets. If the restrictions are fulfilled in the same period the contribution is made, it is considered to be unrestricted support.

2. Related Party Transactions

Pursuant to an agreement between West Chester University (WCU) and the Association dated June 16, 1992, WCU is responsible for all development activities related to the University. During the Annual Giving Program, contributions from alumni are solicited by WCU for the enhancement of the University. All collecting, reporting, and managing of funds gathered during the Annual Giving Program is the responsibility of WCU. The dispensing of the annual giving funds for alumni operating purposes is directed by WCU.

WCU pays the Association \$5,000 per year as a user fee for access to the Veterans' Memorial Alumni House for University-related functions. Under a separate agreement, WCU pays the Association a rental fee for use of the second floor of the house for office space. During the year ended June 30, 2008, the Association received \$5,000 from WCU for user's fees and \$3,000 for rental fees for 2008.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Notes to Financial Statements
June 30, 2008
(Continued)

5. Fixed Assets

Summary of fixed assets:	Balance 6/30/07	Additions	Balance 6/30/08
Land	\$ 4,200	\$ 0	\$ 4,200
Buildings and improvements	198,581		198,581
Furniture and equipment	27,489		27,489
	<u>230,270</u>		<u>230,270</u>
Less: accumulated depreciation	<u>167,271</u>	<u>9,020</u>	<u>176,291</u>
Total	\$ <u>62,999</u>	\$ <u>(9,020)</u>	\$ <u>53,979</u>

6. Pledge payable

The Alumni has pledged a \$100,000 gift to West Chester University Foundation.

	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Total</u>
<u>Pledge payable from 2009-2015</u>	\$ 15,000	\$ 85,000	\$ 100,000

Payments for the pledge payable are as follows:

<u>Year-ending December 31,</u>	<u>Amount</u>
2009	\$ 15,000
2010	15,000
2011	15,000
2012	15,000
2013	15,000
2014	15,000
2015	<u>10,000</u>
Total	\$ <u>100,000</u>

Maulo & Company, Ltd.

Certified Public Accountants

27 South High Street
West Chester, PA 19382-3224

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fax: 610.692.7260
e-mail: mcl@maulo.com

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
West Chester University Alumni Association

We have audited the financial statements of West Chester University Alumni Association (the Association) as of and for the year ended June 30, 2008, and have issued our report thereon dated September 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Schedule of Findings and Responses
June 30, 2007

06-2 Scholarship Funds

Condition: The Alumni is not tracking the scholarship funds properly. The starting amount for each fund is not known and there is no procedure for allocating investment income to each fund. We also noted that more income is being generated than is being awarded in scholarships.

Recommendation: We recommend the Alumni determine a starting amount for each fund and create a procedure for allocating investment income. Any donations should be segregated to the proper fund. We also recommend that more scholarships be awarded.

Response: The Alumni agreed with our assessment and will proceed to implement the Scholarship Fund recommendations during the 2007-08 fiscal year. The Alumni added an additional scholarship in the 2007-08 budgets.

2007-2008 Comment: During 2007-2008, the allocations have not been reviewed or changed.

07-1 Bank reconciliations

Condition: We noted, on the bank reconciliation, transactions that had not cleared in over a year.

Recommendation: We recommend a policy be created regarding the handling of old outstanding checks.

Response: The Alumni concurs with the finding and will implement a policy outlining the dispensation of outstanding checks declaring them null and void after 120 days.

2007-2008 Comment: During 2007-2008, we noted that this issue has been addressed and old outstanding checks are being investigated and written-off or reissued.

07-2 Vanguard account

Condition: The Vanguard account is not being properly tracked. The Vanguard account should be reviewed and reconciled at least quarterly to keep the database accurate.

Recommendation: We have provided an excel sheet to track the Vanguard account. We recommend this or another method is used to track Vanguard.

Response: The Alumni agreed with the finding and will implement a policy reviewing and reconciling the Vanguard account on a quarterly basis. Previous reports have been reviewed by the Treasurer but not reconciled.

2007-2008 Comment: During 2007-2008, we noted that the association has addressed this problem and the year end information was correct.

07-3 Trial balance

Condition: During our audit, we had to make numerous adjusting journal entries to get the trial balance into an acceptable position to do the financial statements. With changing auditing standards it is now management's responsibility, more than ever, to give us a trial balance ready for a financial statement.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Schedule of Findings and Responses
June 30, 2007
(Continued)

08-1 Financial information

Condition: The Staff and Board should take a more active role in the financial side of the Association in reviewing processes and procedures.

A system needs to be established to gather the information for in-kind contributions and allocations of expenses to management and to programs. The process used to gather this information is not efficient. This made it difficult to get important financial information needed to complete the audit in a timely manner.

The Board should also review the allocations of investment income between the various sources and programs. During the past several years, significant funds have been added to and taken from the investment portfolio. As funds are added to and taken from the portfolio the allocation percentages should change based on the source or purpose of these funds – but during the past several years, you have not changed these allocations.

Recommendation: We recommend the board and the treasurer take a more active role in the Association's policy and procedure setting. This includes the setting of procedures for information gathering, monitoring of allocations, and budget monitoring. We also recommend you review the theory of investment income allocations from the portfolio with the goal of simplifying the allocation system to restricted and unrestricted (eliminate contingency and alumni house). You should also establish a procedure for monitoring and changing these allocations as funds are added and removed.

Response: The Association will review the policies and procedures for the gathering financial information, the allocations of income and expenses, and the monitoring of cash flow.

08-2 Scholarships

Condition: Last year, there was a discussion with the director about when the scholarships payable need to be recorded as a liability. In 2006–2007, the fall scholarships were approved before June 30th and had to be recorded as a liability at June 30, 2007. For 2007–2008, the scholarships were not approved until after June 30th. For June 30, 2008, the scholarships payable were not recorded as payable at June 30, 2008. The timing of the approval of these scholarships produces inconsistencies in the financial reporting of scholarship expenses.

Recommendation: To ensure compliance with your budgeting and financial reporting processes, we recommend that you adopt a policy of when the scholarships will be awarded so that they will be recorded consistently in your financials and will be recorded as you expect in your budget process.

Response: The Association will review the scholarship awarding process and will develop a policy that will produce a consistent recording and reporting of scholarships.



Office of the Vice President
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West Chester, Pennsylvania 19383

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**Annual Summary Report of Direct University Support To
and Contributions Made By
West Chester University Alumni Association
For the Year Ending June 30, 2008**

**Direct University support to West Chester
University Alumni Association**

\$ 171,407

Personnel and operating expenses

**Contributions made to or benefiting
West Chester University of Pennsylvania**

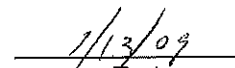
\$ 29,000

Scholarships to individuals \$29,000

Prepared by the Vice President for Administration and Finance
West Chester University of Pennsylvania



Mark P. Mixner



Date



Council of Trustees
West Chester University
West Chester, Pennsylvania 19383

Council of Trustees
Resolution
2009-04

www.wcupa.edu

PROPOSED


RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA

JANUARY 29, 2009

**Certification of Compliance of the West Chester University Foundation with Board
of Governor's Policy on External Financial Support
(Policy 1985-04)**

NOW, IN KEEPING WITH THE BOARD OF GOVERNORS' POLICY 1985-04
AND AFTER A REVIEW OF THE PERTINENT MATERIALS, THE COUNCIL OF
TRUSTEES OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA FIND THAT
FOR THE FISCAL YEAR OF 2007-2008, THE WEST CHESTER UNIVERSITY
FOUNDATION IS MEETING ITS DESIRED PURPOSES AND REQUIREMENTS
AND IS IN COMPLIANCE WITH THE CONDITIONS ESTABLISHED BY THE
BOARD OF GOVERNORS FOR AFFILIATED ORGANIZATIONS.

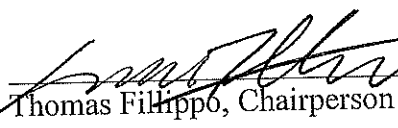
APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES



Linda L. Lamwers, Ph.D., Interim President

1/12/09
Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES



Thomas Filippio, Chairperson
Council of Trustees

1-29-09
Date



Office of the Vice President for Advancement
Filano Hall 101
West Chester University
West Chester, Pennsylvania 19383

610-436-3303
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MEMORANDUM OF CERTIFICATION

TO: The Council of Trustees

FROM: Mark G. Pavlovich, Vice President for Advancement

RE: Certification of the West Chester University Foundation

DATE: January 29, 2009

I am pleased to certify that West Chester University Foundation is in compliance with the Board of Governor's Policy on External Financial Support (Policy 1985-04). The Foundation meets the following criteria:

- 1) An annual statement summarizing University support for and contributions from the Foundation has been prepared for the year ending June 30, 2008 (copy attached).
- 2) A Memorandum of Understanding signed by the Foundation, University, and legal counsel is in place (copy attached).
- 3) Articles of Incorporation and Bylaws are presented to the Council of Trustees (copy attached).
- 4) A current list of Foundation Board members and Officers is available to the Council of Trustees (copy attached).
- 5) Proof of Insurance is presented to the Council of Trustees (copy attached).
- 6) An annual audit has been performed and the results are being shared with the Council of Trustees (copy attached).

RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA

JANUARY 29, 2009

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of Governor's Policy on External Financial Support
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AND IS IN COMPLIANCE WITH THE CONDITIONS ESTABLISHED BY THE
BOARD OF GOVERNORS FOR AFFILIATED ORGANIZATIONS.

APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES

Linda L. Lamwers, Ph.D., Interim President

Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES

Thomas Fillippo, Chairperson
Council of Trustees

Date

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereafter referred to as the "MOU") is made by and between the Fund for West Chester University of Pennsylvania (hereafter referred to as the "Fund") and West Chester University of Pennsylvania (hereafter referred to as WCU) this 1st day of July, 2005.

BACKGROUND

WHEREAS, the Fund has been established to advance the charitable, educational, and scientific purposes of WCU as defined by the President of WCU, and

WHEREAS, the Fund will raise, receive, and manage gifts and endowments for the benefit of WCU, and

WHEREAS, the Fund will conduct other activities for the benefit of WCU as defined in the Fund's Articles of Incorporation and Bylaws,

NOW THEREFORE, based upon the mutual promises, covenants, and conditions set forth herein, and agreeing to be bound hereby, the Fund and WCU agree as follows:

AGREEMENT

1. **INCORPORATION.** The background set forth herein above is specifically made part of this MOU.
2. **ACTIVITIES.** In addition to the activities defined in its Bylaws, the Fund may participate in matters of University development, planned giving, gift processing and recording, gift stewardship, facilities development, grant and gift management and other functions as appropriate in consultation with the WCU President and under the direction of the WCU Vice President for Advancement.
3. **MANAGEMENT OF ENDOWMENT ASSETS.** Upon approval of the WCU Council of Trustees, WCU may transfer management of all endowment and similar assets to the Fund. The Fund's management of endowment assets and related investments shall be governed by a separate MOU between WCU and the Fund. Each year and as determined by the Council of Trustees of WCU, a percentage of the value of the endowment assets managed by the Fund will be distributed to WCU to advance WCU's educational purposes and goals and the intentions of the donors of said assets. Earnings from endowment assets shall be considered as part of the endowment. Furthermore, the Fund agrees to assess the performance of its endowment managers and report the results to the WCU Council of Trustees.
4. **DISTRIBUTION OF GIFT INCOME NOT DESIGNATED FOR ENDOWMENT.** All gifts contributed to WCU will be given to the Fund for processing, investment, and/or disposition. Endowment gifts shall remain with the Fund as described in

6C. FACILITIES. WCU shall provide facilities to the Fund that include, but are not limited to, space, utilities, maintenance, and housekeeping as may be necessary to conduct Fund functions and activities. In compensation for the use of these facilities, the Fund shall make monthly rental payments to the University at fair market rates as determined by the Vice President for Administrative and Fiscal Affairs of WCU.

7. REPORTS. In compliance with the Board of Governor's Policy 1985-04A, the Fund will submit to WCU the following documentation annually and no later than four months following the completion of the fiscal year.

- A. Memorandum of Understanding
- B. Annual audited financial statements and reports
- C. Summarization of contributions made by the Fund to WCU
- D. The list of the Board of Trustees and any changes in fiduciary agreements, articles of incorporation, and bylaws.

In order for WCU to ensure compliance with Board of Governor's Policy 1985-04A, WCU shall have the right to review WCU and Commonwealth of Pennsylvania resources used to support the Fund's operations. It is the responsibility of the Executive Director of the Fund to transmit this information to WCU on behalf of the Fund Board of Trustees.

8. INDEMNIFICATION AND INSURANCE. The Fund shall hold WCU harmless from and indemnify WCU against any and all claims, demands and actions based upon and arising out of any activities performed by the Fund for WCU.

The Fund shall purchase and maintain, at its expenses from income received, comprehensive commercial general liability insurance issued by companies deemed to be financially sound by WCU. The insurance coverage would be \$1,000,000 each occurrence for bodily injury and property damage. Policy/ies shall be on an occurrence basis only. The Fund shall name WCU as an additional insured.

Upon receipt of written notice of any matter for which indemnification might be claimed by WCU, the Fund shall promptly defend, contest, or otherwise protect against any such suit, action, investigation, claim or proceeding at its own cost and expense. WCU agrees to make a demand for indemnification within fourteen days of any claim being made against it.

9. PROTECTION OF STATUS. WCU and the Fund shall refrain from taking any action that would violate the terms or conditions of a gift or asset; or the corporate status or purposes of the other; or threaten the Fund's status as a tax exempt [501(c)(3)] organization.

10. BYLAWS AMENDMENTS. This MOU may be amended by a majority vote of both the Fund Board of Trustees and the WCU Council of Trustees. In the event that one



Council of Trustees
West Chester University
West Chester, Pennsylvania 19383-1000

**Council of Trustees
Resolution 2005-13**

www.wcupa.edu

PROPOSED

RESOLUTION

COUNCIL OF TRUSTEES


WEST CHESTER UNIVERSITY OF PENNSYLVANIA

MAY 4, 2005

MEMORANDUM OF UNDERSTANDING

BE IT RESOLVED THAT THE COUNCIL OF TRUSTEES OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA HEREBY APPROVES THE AMENDED MEMORANDUM OF UNDERSTANDING BY AND BETWEEN WEST CHESTER UNIVERSITY OF PENNSYLVANIA AND THE FUND FOR WCU DATED JULY 1, 2005.

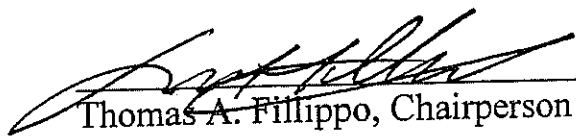
APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES



Madeleine Wing Adler, President

4/29/05
Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES



Thomas A. Fillippo, Chairperson
Council of Trustees

5/4/05
Date

ARTICLES OF INCORPORATION
OF
WEST CHESTER UNIVERSITY FOUNDATION
A PENNSYLVANIA NONPROFIT CORPORATION

In compliance with the requirements of Pa. Stat. Ann. Tit. 15, § 7316, the undersigned, desiring to be incorporated as a nonprofit corporation, hereby certifies that:

1. Name. The name of the Corporation is West Chester University Foundation.

2. Address. The location and post office address of the initial registered office of the Corporation in this Commonwealth is West Chester University of Pennsylvania, 628 South High Street, West Chester, Pennsylvania 19383-7100. The county of venue is Chester.

3. Purposes.

A. The Corporation is formed exclusively for charitable, educational, and scientific purposes within the meaning of § 7311 of the Pennsylvania Nonprofit Corporation Law and § 501(c)(3) of the Internal Revenue Code of 1954, as amended, or any other corresponding section of any future federal tax code (the "Code").

B. Specific Purposes. In furtherance of its exclusively charitable, educational, and scientific purposes, the Corporation shall promote the interests of West Chester University of Pennsylvania of the State System of Higher Education, a Pennsylvania body corporate described in § 509(a)(1) and (2) of the Code, and such other affiliated entities as fall within the class of organizations described both by § 501(c)(3) and § 509 (a)(1) and (2) of the Code, and the Corporation shall, without otherwise limiting its powers, perform the following:

- a. solicit funds and other property for the charitable, scientific, and educational purposes of West Chester University of Pennsylvania in accordance with priorities set by West Chester University of Pennsylvania;
- b. receive, manage, and liquidate material assets, including unique gifts such as jewelry, artworks, and real property, to benefit West Chester University of Pennsylvania;


by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

9. Dissolution. Upon the liquidation or dissolution of the Corporation, the Board of Trustees of the Corporation shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purpose of the Corporation in such manner, or to the West Chester University of Pennsylvania of the State System of Higher Education, or its successor, if such organization is a permitted beneficiary under the requirements of Income Tax Regulation § 1.501(c)(3)-1(b)(4), or to such organizations organized and operated exclusively for charitable, educational, or scientific purposes as at the time shall qualify as an exempt organization or organizations under § 501(c)(3) of the Internal Revenue Code of 1954, as amended, as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the Corporation is then located.

10. The name and post office address of the Incorporators is:

Name: Madeleine Wing Adler, President
Address: West Chester University of Pennsylvania
Philips Memorial Building, First Floor
700 South High Street
West Chester, PA 19383

IN WITNESS WHEREOF, the incorporators signed these Articles of Incorporation on August 11, 2000.


Incorporators

BYLAWS

OF

WEST CHESTER UNIVERSITY FOUNDATION A PENNSYLVANIA NONPROFIT CORPORATION

ARTICLE 1 – DEFINITIONS

Section 1.1. Definitions.

The following terms used in these Bylaws shall have the meanings set forth below.

- A. “Act” means the Pennsylvania Nonprofit Corporation Law of 1988, as amended.
- B. “Board” means the Board of Trustees of the Corporation.
- C. “Corporation” means the West Chester University Foundation.
- D. “Trustee” means an individual serving on the Board.
- E. “University” means West Chester University of Pennsylvania.

ARTICLE 2 – PURPOSES

Section 2.1. Purposes.

The purposes of the Corporation are set forth in its Articles of Incorporation.

Section 2.2. Activities.

The Corporation is organized exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any other corresponding section of any future federal tax code (the “Code”), particularly to promote the interests of West Chester University of Pennsylvania of the State System of Higher Education. The Corporation shall perform the following:

- A. solicit funds and other property to advance the charitable, scientific, and educational interests of the University in accordance with priorities set by the University;

Section 5.4. Term of Office.

Each elected Trustee shall hold office until (a) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (b) his or her earlier death, resignation, or removal. With the exception of the Council Trustee, the President of WCU, the VP Advancement, the VP Fiscal, the VP Student Affairs, and the Executive Director, elected and appointed Trustees may serve two (2) full consecutive three (3) year terms, after which the Trustee must leave the Board for a period of at least one (1) year before being eligible for re-election. A Trustee elected or appointed for an initial or interim term of less than three (3) years may be elected or appointed for two (2) full consecutive three (3) year terms provided the Trustee will have served a total of no more than eight (8) consecutive years.

Section 5.5. Procedure for Nomination of Candidates for Trustee.

The chair of the meeting shall announce at the meeting of the Board the number of Trustees to be elected at the meeting. The Nominating Committee shall recommend all candidates for election as Trustees. Each nomination must be seconded. No nominations may be made from the floor. After each nomination has been made and seconded, the Trustees shall cast their votes on each candidate nominated.

Section 5.6. Vacancies.

With the exception of Ex-Officio Trustees, vacancies on the Board, including vacancies resulting from (a) an increase in the number of Trustees, or (b) the death, resignation, or removal of a Trustee other than an Ex-Officio Trustee, shall be filled by a majority vote of the remaining Trustees though less than a quorum. Each person so elected shall be a Trustee to serve the balance of the unexpired term. Vacancies resulting from the death, resignation, or removal of an Ex-Officio Trustee shall be filled in the same manner as provided for by the original appointment of such Trustee under Section 6.3 above and each person so appointed shall be a Trustee to serve for the balance of the unexpired term.

Section 5.7. Termination.

Members of the Board who, after notice of the consideration of action by the Board and upon the majority vote of the entire Board and as a result of conflict of interest, criminal prosecution, or lack of attendance at four (4) consecutive meetings without prior approval of the Chairperson, shall cease to be members of the Board of Trustees. Vacancies by death, resignation, refusal to serve, or otherwise, shall be filled for the unexpired term by majority vote of the Trustees then serving, although less than a quorum. A vacancy may only be filled by a person who possesses the qualifications referred to in Section 5.2 of this Article 5.

Section 7.5. Executive Committee.

The Executive Committee shall be composed of the officers of the Corporation, the President of WCU, the Vice President for Advancement of WCU, the Vice President for Administrative and Fiscal Affairs of WCU, and the Executive Director of the Corporation. The Executive Committee shall be authorized to act for the Board between its regular meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Executive Committee shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

Section 7.6. Standing Committees.

The President of the West Chester University Foundation, with the approval of the Board, shall appoint the members of the Standing Committees annually. The Board may, by resolution, determine not to constitute a Standing Committee for any year.

There shall be the following Standing Committees of the Board:

A. Nominating Committee.

The Nominating Committee shall consist of at least five (5) Trustees, of which three (3) shall be Ex-Officio Trustees, and shall be responsible for assuring appropriate representation on the Corporation's Board of Trustees, including individuals with access to funding sources and individuals willing to devote the necessary time to the responsibilities of Trustee. The Nominating Committee shall establish a process to avoid the re-election or re-appointment of individuals who fail to adequately participate in the Corporation's activities or in Board and Committee meetings. The Nominating Committee, in consultation with the President of WCU and Executive Director, shall propose names for election of Trustees (other than Ex-Officio Trustees). Board members shall receive a list of the recommendations of the Nominating Committee prior to the meeting at which the election shall take place. The Board will vote on such nominations at the next regular meeting following the distribution of the recommendations from the Nominating Committee. The Nominating Committee shall maintain a roster of qualified persons who might be nominated to serve interim terms.

B. Development Committee.

The Development Committee shall consist of at least five (5) Trustees and shall be responsible for the development, coordination, and implementation of the fund raising activities of the Corporation.

Section 9.4. Removal of Officers.

Any officer may be removed by the Board whenever in its judgement the best interests of the Corporation will be served. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 9.5. Resignations.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Section 9.6. The President.

The President shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. The President shall chair all meetings of the Board and the Executive Committee. The President shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be assigned by the Board.

Section 9.7. The Vice President.

In the absence or disability of the President or when so directed by the President, the Vice President may perform all the duties of the President, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other duties as may be assigned by the Board or the President.

Section 9.8. Secretary.

The Secretary shall record all votes of the Board and the minutes of the meetings of the Board in a book or books to be kept for that purpose. The Secretary shall see that required notices of meetings of the Board are given and that all records and reports are properly kept and filed by the Corporation. The Secretary shall be the custodian of the seal of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the President.