RESOLUTION REGARDING RELATIONSHIP
WITH PORTLAND STATE UNIVERSITY FOUNDATION

Approved by the Board
June 26, 2014

BACKGROUND

A. The Portland State University Foundation (the “Foundation”) is a private, nonprofit corporation organized under the Oregon Nonprofit Corporations Act and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Since 1963, the Foundation has played a critical role enhancing the development of Portland State University. The purpose of the Foundation is to support and promote the mission of Portland State University.

B. The relationship between the University and the Foundation was authorized and governed by administrative rules adopted by the State Board of Higher Education when the state board was responsible for governance of the University. Following the establishment of the University’s Board of Trustees, it is appropriate for this Board to establish a policy regarding the critically important relationship between the University and the Foundation. It is also important that this Board develop a strong and effective relationship with the Foundation and with the Foundation’s Board of Trustees.

C. Effective July 1, 2014, the functions of the University’s Office of University Advancement will be transferred to the Foundation in order to enhance efficiencies and to better position the University and the Foundation to move a larger number of constituencies to extraordinary levels of engagement, advocacy and support for the benefit of the University. This Board supports these efforts and recognizes the critical role of philanthropy to the success of the University.

RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that the Portland State University Foundation is recognized as the official institutional foundation of Portland State University; and the policy entitled “Relationship with the Portland State University Foundation,” attached as Exhibit A to this Resolution, is approved. The Policy replaces Oregon Administrative Rules 580-046-0005 through 580-046-0045, previously adopted by the State Board of Higher Education, which shall have no further force or effect at the University.

This Resolution is effective July 1, 2014.

APPROVED BY THE BOARD OF TRUSTEES
JUNE 26, 2014

Secretary to the Board
Relationship with the Portland State University Foundation

Recognition of Portland State University Foundation

Since 1963, the Portland State University Foundation (PSUF) has enhanced the development of Portland State University. PSUF was recognized by the President of the University as the official institutional foundation pursuant to the rules of the former State Board of Higher Education. Subject to the terms of this policy, the Portland State University Board of Trustees reaffirms PSUF’s status as the official institutional foundation and recognizes the critical role played by PSUF in efforts to promote and strengthen the University for current and future generations.

Roles and Coordination

The University, under the direction of the Board of Trustees (the “Board”), is responsible for establishing the University’s mission and strategic direction, including its academic, research, operational and fundraising priorities. The institutional foundation is a critical partner in the implementation and support of those priorities. The advancement of the University requires effective communication and collaboration between the University and the institutional foundation and between their respective governing boards, as well as the alignment of goals and purposes.

Terms of Recognition of an Institutional Foundation

The Board’s recognition of an institutional foundation is subject to the following requirements:

1. The purpose of an institutional foundation is to raise and manage private resources supporting the mission and priorities of the University, and to contribute to institutional excellence.

2. Only one entity may be recognized as the official institutional foundation at a time.

3. The institutional foundation shall be required, at all times, to maintain status as an independent nonprofit corporation under the Oregon Nonprofit Corporation Act and maintain tax exempt status under Section 501(c)(3) of the Internal Revenue Code and other similar Oregon statutes, as those laws may be amended from time to time. The institutional foundation shall be governed by an independent governing board, as provided in the foundation’s bylaws.

4. An institutional foundation is to operate in a manner that is independent of the University and consistent with the fiduciary obligations of the institutional foundation. The operations and assets of the institutional foundation are not subject to control by the University. Both the University and the institutional foundation are expected to
diligently preserve the independence of the institutional foundation and avoid any appearance that the University controls the institutional foundation.

5. A recognized institutional foundation is to be the repository of all private gifts made in support of the University. To the greatest extent possible, gifts to the University are to be construed as gifts intended for the institutional foundation. The institutional foundation and the University shall jointly establish naming policies and policies regarding the acceptance of restricted gifts for scholarships, chairs, and other endowed or restricted purposes.

6. The University President and the institutional foundation shall enter into a mutually acceptable Recognition and Support Agreement. The Recognition and Support Agreement shall, among such other terms as may be appropriate:
   - Delineate the responsibilities of the University and the institutional foundation regarding fundraising priorities and activities, management of gifts, maintenance of records, and other necessary activities.
   - Provide a mutually agreeable level of direct financial and in-kind support from the University to the institutional foundation to enable the foundation to successfully raise and manage private funds for the University. Such support may include, without limitation, personnel and services, office and meeting space, and information technology and telecommunications services.
   - Include provisions requiring the institutional foundation to obtain an annual independent audit of the foundation’s financial and operational records and to provide the University President with a copy of the annual audited financial statements, including any management letters.
   - Require the institutional foundation and the University to jointly develop policies or a process regarding the acceptance of restricted gifts for the benefit of the University.
   - Require the institutional foundation to disclose to the University any terms, conditions, or restrictions imposed by the donor to the University on a gift.
   - Permit the institutional foundation to utilize the University’s name and trademarks as may be appropriate.
   - Permit the creation of affiliated entities to support particular units or activities within the University.
   - Provide that upon withdrawal of recognition as the official institutional foundation, or upon dissolution, the institutional foundation’s net assets shall, within the limitations imposed by legal and fiduciary responsibilities, be distributed in full to the University or to another nonprofit charitable entity designated by the Board.

7. The Recognition and Support Agreement may allow employees of the institutional foundation to receive benefits or privileges commonly provided to University employees, such as a University tuition benefit for foundation employees and their dependents.
8. The institutional foundation may supplement the salary of University employees. Any salary supplement for the benefit of the University President must be approved by the Board. Any salary supplement for the benefit of other University employees must be approved by the University President.

9. The University President may revoke recognition of an institutional foundation. If the President decides to revoke recognition, the University President shall provide written notice of the intent to revoke recognition to the institutional foundation and the foundation shall have 90 days to resolve the issue to the satisfaction of the President. If after 90 days the institutional foundation is unable to resolve the issue to the satisfaction of the President, the foundation shall have an additional 30 days to appeal the revocation of recognition to the Board. If an appeal is filed, the institutional foundation shall have the right to be heard at a meeting of the Board called for that purpose.

APPROVED BY BOARD OF TRUSTEES
June 26, 2014