

ADMINISTRATIVE MEMORANDUM

SUBJECT Amendment to regulations of the Board of Governors
concerning institutional endowment funds

NUMBER 150

DATE February 27, 1981

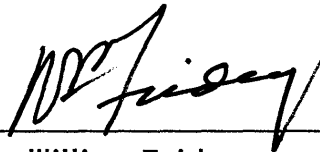
Through Administrative Memorandum Number 93 (dated October 28, 1977) the constituent institutions and agencies of The University were provided initial regulations of the Board of Governors and procedural guidance relative to endowment funds established under G.S. 116-36, as amended by the 1977 session of the General Assembly. Those regulations at paragraph A4 provided that institutional endowment boards were to consist of five members, three of whom were to be elected by the institutional board of trustees. Recently, in response to the requests from several institutions the Board of Governors amended paragraph A4 to permit each institutional board of trustees to establish the number of members serving on its endowment board by election at any number between three and five, inclusive. As noted by several Chancellors and boards of trustees, this amendment to the regulations will permit additional investment expertise and enhanced fund solicitation to accrue to the endowment boards.

The amendment as adopted by the Board of Governors on January 9, 1981, and recorded in Board minutes officially adopted on February 13, 1981, causes paragraph A4 of the endowment regulations to read now as follows:

4. The board of trustees of the endowment fund shall consist of no fewer than five members and no more than seven members, as determined by the board of trustees of the constituent institution. One member of the board of trustees of the endowment fund shall be the chairman of the board of trustees of the constituent institution, one member shall be the chancellor of the constituent institution, and the remainder of the members may be (but need not be) members of the board of trustees of the constituent institution and shall be elected by the board of trustees of the constituent institution for overlapping terms of three years each. The terms of the three elected members of the board of trustees shall be initially for one, two, and three years each. All elections thereafter shall be for a regular term of three years, except that any person elected by the board of trustees to fill a vacancy created otherwise than by the expiration of a term shall be elected to serve the remainder of the term of the person whom he or she succeeds. The chairman of the board of trustees of the constituent institution shall be ex officio the chairman of the board of trustees of the endowment fund of that institution. The board of trustees of the endowment fund may establish procedures, consistent with these regulations, for executing business and shall at least establish a quorum and a necessary vote for the transaction of business and require the keeping of minutes for meetings of the endowment board.

As amendment to paragraph A4 was effected by removing only the initial sentence of the paragraph and substituting two new ones, the original conditions of paragraph A4 concerning the term of elected members and the staggering of their terms, remain in force. Therefore, no matter how many elected memberships are established by an institutional board of trustees for its endowment board, any elected memberships should be

- (1) for initial terms of length, up to three years, assigned by the institutional board of trustees in a manner that will best achieve overlapping of terms among all the elected members; and
- (2) thereafter, for regular terms of three years (except for the filling of vacancies, as provided in the regulation).

A handwritten signature in black ink, appearing to read "W. Friday", is written over a horizontal line.

William Friday