

THE UNIVERSITY OF NORTH CAROLINA
OFFICE OF THE PRESIDENT

ADMINISTRATIVE MEMORANDUM

SUBJECT	Expanded Membership of Boards of Trustees of Institutional Endowment Funds	NUMBER	399
		DATE	October 15, 1999

In response to expressions of interest by constituent institutions in augmenting representation on the boards of trustees of institutional endowment funds, to engage additional expertise and support, the Board of Governors on October 8, 1999, approved amendments to its policy (first adopted in 1977 and last revised in 1981) implementing the provisions of N.C.G.S. § 116-36 as amended by Chapter 506 of the 1977 Session Laws (see *Administrative Manual* at VI-B-1). The changes appear in Section A.4. of the Board of Governors policy, a copy of which is attached, as revised (revised provisions are underlined for emphasis).

The regulations formerly required that the board of trustees of the endowment fund of a constituent institution consist of no fewer than five and no more than seven members, two of whom were to be *ex officio*, viz., the chair of the board of trustees and the chancellor of the constituent institution. The revised policy expands the membership of the endowment board to consist of no less than six and no more than nine members, including a third *ex officio* member to be designated by the board of trustees of the constituent institution from among the officers of that board or of the committees of that board.

In accordance with those policy revisions, the board of trustees of each constituent institution must be informed of their responsibility to add one additional *ex officio* member to the existing endowment board and of their opportunity to add one or more additional at-large members, if they choose to do so, subject to a maximum permissible membership of nine.

Any questions concerning this matter may be addressed to either Vice President Davies or Vice President Robinson.


Molly Corbett Broad

Attachment
cc: Chief Financial Officers

In October 8, 1999, the Board of Governors approved the following changes to its policy on Endowment Funds under N.C.G.S. § 116-36 (*Administrative Manual*, VI-B-1):

A. Regulations for Endowment Property Exclusively for the Benefit of One Constituent Institution.

4. The Board of Trustees of the endowment fund shall consist of no fewer than six members and no more than nine 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 a third ex officio member shall be designated by the Board of Trustees of the constituent institution from among the officers of that board or of the committees of that board. 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.