



*Building a Great University:  
The Oregon Institute of Technology*

# Information Book

## TABLE OF CONTENTS

<b>I.</b>	<b>Corporate Documents</b>	
	Bylaws.....	1
	Nonprofit Articles of Incorporation and Articles of Amendment for Nonprofit Corporation .....	2
	Charitable Trust and Corporation Act Registration .....	3
	Tax Exempt Status .....	4
	Contract to Exchange Services and Support with Oregon Tech.....	5
	History.....	6
<b>II.</b>	<b>Gift Policies</b>	
	Gift Acceptance Policy .....	7
	Administrative Gift Fee Policy .....	7
	Board Member Giving Definition.....	8
	Non-Cash Items Policy .....	9
	Endowment Policy .....	10
	Annual Fund.....	11
	Donor Recognition ( <i>removed for review</i> ).....	12
	Charitable Gift Annuity Program.....	13
	Records Policy .....	14
<b>III.</b>	<b>Investment Policies, Practices, Budget and Finances</b>	
	Investment Policy.....	15
	Treasury Bill in the Endowment Portfolio.....	16
	Locking Fiscal Time Period.....	17
	Klamath Basin Scholarship.....	18
	Unused Scholarship Funds Practice.....	19
	FY 20 4- 5 Budget.....	20
	Audited Financials for: FY Ending June 30, 20 4.....	21
<b>IV.</b>	<b>Membership</b>	
	Roster for FY 20 4-25 .....	22
	Committee Rosters for FY 20 4-25.....	23
	Roles and Responsibilities .....	24
	Distinguishing Characteristics .....	25
	Emeritus Director Criteria.....	26
<b>V.</b>	<b>Other</b>	
	Insurance Coverage.....	27
	Conflict of Interest Policy .....	28
<b>VI.</b>	<b>Relevant OIT Policies</b>	
	Property Naming Policy .....	29



## **BYLAWS**

Approved December 13, 2002

Amended May 30, 2003, April 27, 2007, January 14, 2011, January 24, 2014, November 13, 2015

### **1. GENERAL**

The legal name of this corporation is the Oregon Tech Foundation, Inc., which has been organized as a public benefit corporation under the Oregon Nonprofit Corporation Act. The corporation is organized and shall be operated exclusively as a charitable organization under Internal Revenue Code Section 501(c)(3) for the sole purpose of assisting the Oregon Institute of Technology in fulfilling its mission. The Oregon Tech Foundation, Inc., is commonly known as the Oregon Tech Foundation.

### **2. CORPORATE OFFICES**

The registered office of the corporation shall be located at 3201 Campus Drive, Klamath Falls, Oregon 97601-8801. The corporation may change the registered office and may also have offices at other places, either within or without the State of Oregon, as the Board of Directors may from time to time determine or as the business of the corporation may require.

### **3. DIRECTORS**

- 3.1 **Powers:** The business affairs of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all other lawful acts which are not prohibited or directed or required to be performed by others under the statutes of the State of Oregon, the Articles of Incorporation or these bylaws.
- 3.2 **Number of Directors:** The number of directors of the corporation may vary between a maximum of 30 directors and a minimum of 12 directors, the exact number to be fixed from time to time by resolution of the Board of Directors, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.
- 3.3 **Election of Directors:** At each annual meeting one quarter of the directors shall be elected to serve terms of four (4) years each or until their respective successors are elected.

- 3.4 **Vacancies:** A vacancy occurring on the Board of Directors shall be filled at a regular or a special meeting of the Board of Directors called for that purpose by the affirmative vote of a majority of the remaining directors, even if the remaining directors are less than a quorum. The new director shall serve only the predecessor's unexpired term.
- 3.5 **Increase in Number of Directors:** Individuals to fill the directorships created by any increase in the number of directors as provided in Section 3.2 of this article may be elected at any regular meeting of the Board of Directors by the majority vote of the directors in attendance at the meeting if a quorum is present. The new director will serve until the annual meeting approximately four years after appointment when their appointment will be considered for continuation or until the director's successor is elected.
- 3.6 **Ex-Officio Directors:** The following shall serve as ex-officio (non-voting) members of the Board of Directors:
- 3.6.1 President of the Oregon Institute of Technology
  - 3.6.2 Vice President for University Development of the Oregon Institute of Technology
  - 3.6.3 Executive Director of this corporation
  - 3.6.4 Vice President for Finance and Administration of the Oregon Institute of Technology
  - 3.6.5 Director of Fiscal Operations/Accountant of this corporation
  - 3.6.6 One representative of each of the following associated or affiliated organizations shall serve as ex-officio (non-voting) members of the Board of Directors:
    - 3.6.6.1.1 Oregon Tech Alumni Association
    - 3.6.6.1.2 Shaw Historical Library
  - 3.6.7 One representative of each of the following groups shall serve as ex-officio (non-voting) members of the Board of Directors for a two (2) year term:
    - 3.6.7.1.1 One faculty member nominated by the Oregon Tech Faculty Senate
    - 3.6.7.1.2 One student member nominated by the Associated Students of OIT (ASOIT)
    - 3.6.7.1.3 One parent of a recent OIT graduate or student nominated by the Parent Council
- 3.7 **Annual Meeting of Directors:** The annual meeting of the Board of Directors shall be held on such date selected by the President of this corporation, not earlier than May 1, nor later than June 30. If the President of this corporation fails to designate a date, the annual meeting shall be held on the third Friday of June. The meeting shall be held at the corporate offices or at such place selected by the President of the corporation.



3.8 **Other Meetings:** The Board of Directors shall meet at least two times each year, the second meeting to be held on such date selected by the Oregon Tech Foundation President approximately 6 months from the annual meeting.

3.9 **Notice for Directors Meetings:** Regular meetings of the Board of Directors may be held upon such notice, or without notice, and at such time and place as shall, from time to time, be determined by the Board of Directors.

Special meetings of the Board of Directors shall be called by the Foundation Secretary or other presiding officer when requested by the President or Executive Director of this corporation or when requested in writing by 20 percent of the directors. Notice of the special meeting shall be given to each director either in person, by electronic medium, postal mail or telephone and must be received by the director not less than two days prior to the meeting.

3.10 **No Compensation:** The voting members of the Board of Directors of this corporation shall serve without compensation.

3.11 **Use of Communications Equipment:** The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

#### 4. **COMMITTEES**

As stated in 3.1, the business affairs of the Foundation are managed by the Board of Directors. So that the board will not have to hold a large number of special meetings, it will utilize committees to research information and carry out particular functions for the board in between regular board meetings. The board may delegate authority to a committee by authorizing the committee to take a specified action or to make a specific decision on a particular matter on behalf of the board. All actions by committees shall be reported to the Board of Directors at the next regular or special board meeting succeeding such action or decision. If a committee feels that a board decision is required before the next regular board meeting, it may request a special meeting according to the procedures specified in 3.9.

##### 4.1 **Executive Committee:**

4.1.1 The Board of Directors shall appoint from among its members an Executive Committee of not less than three (3) members. The membership of the Executive Committee shall include the following:

4.1.1.1 Officers of the Board

4.1.1.2 Chairs of all standing committees

4.1.1.3 Other directors as the Board may select shall serve as members of the Executive Committee.

4.1.1.4 The President of the Oregon Institute of Technology shall serve as an ex-officio (nonvoting) member

- 4.1.1.5 Executive Director of the Oregon Tech Foundation shall serve as an ex-officio (nonvoting) member
- 4.1.1.6 The immediate past president shall continue to serve on the Executive Committee for one year if the immediate past president still is on the Board of Directors
- 4.1.2 Executive Committee Duties: The Executive Committee shall carryout the functions of the Board of Directors:
  - 4.1.2.1 between meetings
  - 4.1.2.2 it shall act on behalf of the Board when helpful or necessary to further the Foundation's purposes
  - 4.1.2.3 it shall take action on budgeted items as needed between meetings in furtherance of the Foundation, provided, however, that the Executive Committee may not authorize distributions.
- 4.1.3 The Executive Committee shall have such additional powers and shall perform such additional duties as may be delegated and assigned to the Executive Committee from time to time by the Board of Directors, except as provided in the Oregon Nonprofit Corporation Act.
  - 4.1.3.1 A majority of the members of the Executive Committee may change its rules of procedure.
- 4.1.4 Executive Committee Actions and Reporting: All actions taken by the Executive Committee shall be by a majority of those serving on the committee if taken at a meeting or by unanimous written approval if taken without a meeting.
  - 4.1.4.1 The Executive Committee shall keep records of its activities and proceedings as it shall deem appropriate.
- 4.1.5 Meetings of the Executive Committee: Meetings of the Executive Committee shall be called, from time to time, at the direction and upon the request of any member thereof. Notice of such meetings, unless waived, shall in each instance be given to each member of the Executive Committee at least one day before the meeting, either in person, by electronic medium, postal mail or telephone.
  - 4.1.5.1 Vacancies in the membership of the Executive Committee shall be filled by the Board of Directors at a special meeting called for that purpose or at a regular meeting.

## 4.2 **Standing Committees**

- 4.2.1 Standing Committees: The following list of committees shall constitute the standing committees of the Board of Directors:
  - 4.2.1.1 **Development Committee:** The Development Committee shall plan, organize and implement Foundation activities to:

- 4.2.1.1.1 encourage regular and long-term gifts to the Foundation for the benefit of the Oregon Institute of Technology.
- 4.2.1.1.2 encourage active and life-long participation of alumni in Oregon Institute of Technology, Oregon Tech Alumni Association, and Oregon Tech Foundation programs and activities.
- 4.2.1.1.3 Encourage and recommend activities of all donor recognition groups established by the Foundation.
- 4.2.1.1.4 The chair of the committee may establish and appoint subcommittees to carry out delegated committee functions.
- 4.2.1.2 **Finance Committee:** The Finance Committee is responsible for the investment and oversight of Foundation funds and other assets, including funds received or allocated for endowment, capital, and current operating purposes, and real estate and tangible personal property.
  - 4.2.1.2.1 The chair of this committee shall be the Treasurer of the Foundation and shall be one of the officers that execute documents on behalf of the Foundation as necessary to implement the investment policies established by the committee.
  - 4.2.1.2.2 The committee is responsible for a proposed annual Foundation budget for review and action by the Board of Directors.
  - 4.2.1.2.3 The committee will prepare a schedule of proposed appropriations to or for the benefit of Oregon Institute of Technology for review and action by the Board of Directors.
- 4.2.1.3 **Scholarship Committee:** The Scholarship Committee will assist Oregon Institute of Technology in recruiting and retaining outstanding students. This committee shall have the following duties and authority to:
  - 4.2.1.3.1 review annually the impact and the effectiveness of Foundation gifts and grants for scholarships and financial aid.
  - 4.2.1.3.2 make recommendations to the Foundation regarding policies for the distribution of grants to Oregon Institute of Technology for scholarships and financial aid.
  - 4.2.1.3.3 offer assistance to Oregon Institute of Technology's offices of Admissions and Financial Aid with regard to recruiting and retaining outstanding students.
  - 4.2.1.3.4 assist in the fund-raising activities of the Foundation by soliciting contributions for scholarships, financial aid, co-

ops, internships, or any other program that assists in attracting and retaining students.

4.2.1.3.5 oversee the proper stewardship of scholarship and financial aid donors.

4.2.1.4 **Committee on Directors:** The Committee on Directors shall:

4.2.1.4.1 provide nominations of individuals to serve as officers, Directors and committee members of the Oregon Tech Foundation.

4.2.1.4.2 make recommendations regarding the committee structure and the bylaws.

4.2.1.4.3 monitor the role and mission and strategic plans of the Foundation and will strive to identify individuals with talents, resources, and interests that would contribute to the attainment of the goals of the Foundation.

4.2.1.4.4 make contact with such individuals, encourage their interest in the Foundation, and evaluate their potential for service to the Foundation.

4.2.1.4.5 provide the Board of Directors with nominations of candidates to serve as officers of the Foundation as terms expire and when vacancies occur.

4.2.1.4.6 provide the Board of Directors with nominations for committee service.

4.2.1.4.7 Assist the Executive Director in providing appropriate orientation for newly elected officers and directors to assist them in undertaking the role and mission and strategic plans of the Foundation and Oregon Institute of Technology.

4.2.1.4.8 Monitor the effectiveness of the Foundation's committee structure and will propose to the Board of Directors or Executive Committee whatever changes in committee membership or the structure of the standing committees that would enhance the effectiveness of the committees.

4.2.1.4.9 monitor adherence to the bylaws and the suitability of the bylaws to the role and mission of the Foundation and will propose to the Board of Directors any changes to the bylaws that would enhance adherence and suitability.

4.2.1.4.10 monitor adherence of the Foundation to state and federal laws, in addition to policies adopted by the Oregon Institute of Technology and Oregon University System.

4.2.1.4.11 The chair of this committee shall be the Vice President of the Foundation.

### **4.3 Other Committees**

4.3.1 The Board of Directors may, from time to time, appoint other committees for such purposes as designated by the Board of Directors.

4.3.1.1 Each committee shall have such powers and shall perform such duties as may be delegated and assigned to the committee by the Board of Directors, except such powers as are prohibited under the Oregon Nonprofit Corporation Act.

4.3.1.2 All matters transacted by a committee in the name of the corporation shall be submitted and ratified by the Board of Directors at its next regular or special meeting. Membership of any such committee shall include at least two (2) members of the Board of Directors.

4.3.1.3 A committee may appoint a chair or co-chairs.

## **5. NOTICE**

### **5.1 Effectiveness of Notice**

Wherever notice is required in these bylaws, such notice may be oral or written unless otherwise specified for a particular kind of notice.

5.1.1 Notice may be communicated in person, by telephone, fax, email, telegraph, teletype or other form of wire or wireless communication, by mail or private carrier, including publication in a newsletter or similar document mailed to a director's address.

5.1.2 Written notice by the corporation to a director is effective when mailed if it is mailed post paid and is correctly addressed to the director's address shown in the corporation's current records.

5.1.3 In other instances, personal written notice, if in a comprehensible form, is effective at the earliest of the following: when received; five days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed; on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or 30 days after its deposit in the United States mail if mailed correctly addressed and with other than first class, registered or certified postage affixed.

### **5.2 Waiver of Notice**

5.2.1 A director may at any time waive any notice required by these bylaws, or the Oregon Nonprofit Corporation Act. The waiver must be in writing, be signed by the director entitled to the notice, specify the meeting for which the notice is waived, and be filed with the minutes or corporate records.

5.2.2 A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director, at the beginning of the

meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

5.2.3 Whenever any notice is required to be given to any director under the provisions of the Oregon Nonprofit Corporation Act, or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the required notice.

5.2.4 The presence of a director at any meeting shall constitute a waiver of any notice required for such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## 6. **ACTION WITHOUT MEETING**

6.1 **Directors' Actions:** Any action required or permitted to be taken at the Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board of Directors.

6.2 **Effectiveness of Action Without Meeting:** Actions taken under this article shall be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Article is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

## 7. **OFFICERS**

7.1 **Executive Officers:** The corporation shall have a President, a Vice President, a Treasurer, a Secretary, and a Past President, each of whom shall be elected by the Board of Directors. The same individual may simultaneously hold more than one office in the corporation.

7.2 **Subordinate Officers:** The Board of Directors may elect or appoint such other officers, assistant officers, agents, and other employees as it shall deem necessary or desirable. They shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board of Directors.

7.3 **Compensation:** The salaries of all employees and other agents of the corporation shall be fixed by the Board of Directors. Unless otherwise specified by the Board of Directors, officers shall serve without compensation.

7.4 **Election of Officers:** The election of officers shall take place each year at the annual meeting. The expectation is that each officer shall hold office for two years. Assistant officers, if any, need not be members of the Board of Directors. All principal officers elected must be members of the Board of Directors.

7.5 **Vacancy in Office:** In the event of a vacancy in the office of president, the vice president shall assume the presidency. In the event of a vacancy in any other office

the Committee on Directors shall submit the name of a nominee to fill the vacancy to the Board of Directors in time to elect a successor at the next scheduled Board meeting.

- 7.6 **Resignation of Officers:** An officer may resign by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Board of Directors. Such resignation shall take effect at the time specified and acceptance of such resignation shall not be necessary to make it effective.
- 7.7 **Removal of Officer:** Any officer, agent or other employee elected or appointed by the Board of Directors, may be removed by a majority vote of all the directors then serving on the board whenever in their judgment the best interests of the corporation will be served thereby. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. If any position should become vacant for any reason, the vacancy shall be filled by the Board of Directors.
- 7.8 **Restoration of Corporate Property:** On the death, resignation, retirement or removal from office of any officer, agent or other employee, all books, papers, vouchers, money and any other property of whatever kind in their possession or under their control which belong to the corporation shall be restored to the corporation.

## 8. **DUTIES OF OFFICERS**

- 8.1 **President:** The president shall be the chief executive officer of the corporation. The president shall preside at all meetings of the Board of Directors and shall be the inspector of all elections of directors and certify those who are elected as such. The president shall see to the general and active management of the business affairs of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.
- 8.2 **Vice President:** The vice president shall perform the duties and exercise the powers of the president at such time as the president is unable to act, and such other duties as the Board of Directors may from time to time assign. The vice president will serve as the Chair of the Committee on Directors.
- 8.3 **Secretary:** The secretary shall oversee the preparation of the minutes of the Directors' meetings and of the Executive Committee meetings for submission to the Board of Directors and shall be responsible for authenticating records of the corporation. The secretary shall give notice of all meetings of the Board of Directors and committees as required under the provisions of the Oregon Nonprofit Corporation Act, and these Bylaws, and shall perform such other duties as the Board of Directors or the president may from time to time assign.
- 8.4 **Treasurer:** The treasurer shall be the official liaison to the Board with respect to the receipt of all moneys and funds of the corporation. Funds shall be paid out only as may be directed by the Board of Directors. Full and accurate books of account shall be maintained along with such reports of such official financial transactions of the corporation as may from time to time be required by the Board of Directors. The Treasurer shall perform such duties as the Board of Directors may from time to time assign.

## 9. **INDEMNIFICATION**

**9.1 Definitions:** As used in this article:

- 9.1.1 “Director” means an individual who is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation’s request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A director is considered to be serving an employee benefit plan at the corporation’s request if the director’s duties to the corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. “Director” includes, unless the context otherwise requires, the estate or personal representative of a director.
- 9.1.2 “Expenses” include attorney fees.
- 9.1.3 “Liability” means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses actually incurred with respect to a proceeding.
- 9.1.4 “Officer” means an individual who is or was an officer of the corporation or an individual who, while an officer of the corporation, is or was serving at the corporation’s request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. An officer is considered to be serving an employee benefit plan at the corporation’s request if the officer’s duties to the corporation also impose duties on or include services by the officer to the employee benefit plan or to participants in or beneficiaries of the plan. “Officer” includes, unless the context requires otherwise, the estate or personal representative of an officer.
- 9.1.5 “Party” includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- 9.1.6 “Proceeding” means any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative and whether formal or informal.

**9.2 Right to Indemnification — Unsuccessful Defense:**

- 9.2.1 Except as provided in Section 9.2.4, the corporation shall indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if:
  - 9.2.1.1 The conduct of the individual was in good faith;
  - 9.2.1.2 The individual reasonably believed that the individual’s conduct was in the best interests of the corporation, or at least not opposed to its best interests; and
  - 9.2.1.3 In the case of any criminal proceeding, the individual had no reasonable cause to believe the conduct of the individual was unlawful.
- 9.2.2 A director’s conduct with respect to an employee benefit plan for a purpose



the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of Section 9.2.1.2.

9.2.2.1 The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

9.2.3 The corporation may not indemnify a director under this section:

9.2.3.1 In connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or

9.2.3.2 In connection with any other proceeding charging improper personal benefit to the director in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

9.2.4 Indemnification permitted under this Section 9.2 in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

9.3 **Right to Indemnification — Successful Defense:** The corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because of being a director of the corporation against reasonable expenses actually incurred by the director in connection with the proceeding.

9.4 **Undertaking for Expenses:**

9.4.1 The corporation shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

9.4.1.1 The director furnishes the corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 10.2; and

9.4.1.2 The director furnishes the corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct.

9.4.2 The undertaking required by Section 9.4.1.2 must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

9.5 **Court Ordered Indemnification:** A director of the corporation who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court after giving any notice the court considers necessary may order indemnification in the amount it considers proper if it determines:

9.5.1 The director is entitled to mandatory indemnification under Sections 9.2 or 9.3, in which case the court shall also order the corporation to pay the director's reasonable expenses incurred to obtain court-ordered indemnification; or

9.5.2 The director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director met the standard of conduct set forth in Section 9.2.1 or was adjudged liable as described in Section 9.2.4, whether the liability is based on a judgment, settlement or proposed settlement or otherwise.

#### **9.6 Determinations for Indemnification:**

9.6.1 The corporation may not indemnify a director under Section 9.2 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 9.2.

9.6.2 A determination that indemnification of a director is permissible shall be made:

9.6.2.1 By the Board of Directors by majority vote of a quorum consisting of directors not at the time parties to the proceedings;

9.6.2.2 If a quorum cannot be obtained under Section 9.6.2.1 by a majority vote of the committee duly designated by the Board of Directors, consisting solely of two or more directors not at the time parties to the proceeding; or

9.6.2.3 By special legal counsel selected by the Board of Directors or its committee in the manner described in Sections 9.6.2.1 or 9.6.2.2 of this subsection or, if a quorum of the Board cannot be obtained under this subsection, the special legal counsel shall be selected by majority vote of the full Board of Directors including directors who are parties to the proceeding.

9.6.3 A director may not be indemnified until 20 days after the effective date of written notice to the attorney general of the proposed indemnification.

**9.7 Officers, Employees and Agents:** The corporation may indemnify and advance expenses under this Article to any officer, employee or agent of the corporation who is not a director to the same extent as a director.

**9.8 Insurance:** The corporation shall, unless agreed upon otherwise by the board of directors, purchase and maintain insurance on behalf of an individual against liability asserted against or incurred by the individual who is or was a director, officer, employee or agent of the corporation, or who, while a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The corporation shall, unless agreed upon otherwise by the board of directors, purchase and maintain the insurance even if the corporation has no power to indemnify the individual against the same liability under this Article or the Oregon Nonprofit Corporation Act.

## 9.9 Nonexclusivity of Rights:

9.9.1 The indemnification and provisions for advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which directors, officer, employees or agents may be entitled under the corporation's Articles of Incorporation, any agreement or any general or specific action of the Board of Directors, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. Specifically and not by way of limitation, a corporation shall have the power to make or agree to make any further indemnification, including advancement of expenses, of:

9.9.1.1 Any officer, employee or agent who is not a director as authorized by general or specific action of the Board of Directors or agreement. Unless the Articles of Incorporation, agreement or resolution provide otherwise, any determination as to any further indemnity under this paragraph shall be made in accordance with Section 9.6.

9.9.1.2 This Article does not limit the corporation's power to pay or reimburse expense incurred by a director in connection with the director's appearance as a witness in a proceeding at a time when the director has not been made a named defendant or respondent to a proceeding.

## 10. **DIRECTOR CONFLICT OF INTEREST**

10.1 **Conflict of Interest Defined:** A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction is fair to the corporation at the time it was entered into or is approved as provided in Section 10.2 (Approval Process) of this article.

10.2 **Approval Process:** A transaction in which a director has a conflict of interest may be approved:

10.2.1 By the vote of the Board of Directors or a committee of the Board of Directors if the material facts of the transaction and the director's interest are disclosed or known to the Board of Directors or committee of the Board of Directors; or

10.2.2 By obtaining approval of the:

10.2.2.1 Attorney General; or

10.2.2.2 The circuit court in an action in which the Attorney General is joined as party.

10.3 **Indirect Conflicts:** For the purposes of this article, a director of the corporation has an indirect interest in a transaction if:

10.3.1 Another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or

10.3.2 Another entity of which the director is a director, officer or trustee is a party to the transaction, and the transaction is or should be considered by the Board of Directors of the corporation.

10.4 **Votes Required for Approval:** For purposes of Section 10.2 (Approval Process), a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the Board of Directors or on the committee who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction votes to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under Section 10.2.1 if the transaction is otherwise approved as provided in Section 10.2.

## 11. **LOANS**

No money shall be borrowed by the corporation without authority of the Board of Directors, and for security purposes, the Board of Directors may authorize the execution and delivery of a mortgage or trust deed upon any of the real property belonging to the corporation or the pledging of any of the personal property of the corporation. Such authorization having been given, the President or Vice President of the corporation, in conjunction with the Secretary or Treasurer, shall execute in the name of the corporation the authorized notes, mortgages, trust deeds and pledges.

## 12. **CHECKS**

All checks of the corporation shall be signed in such manner as the Board of Directors may, from time to time, designate. Officers and ex-officio directors generally authorized to sign checks include the following: President, Treasurer, Secretary, and Executive Director.

12.1.1 Amounts of \$2,500 or more must have two (2) signatures.

## 13. **AUDIT**

The Foundation shall annually cause a certified public accountant to perform a full and complete annual audit of its finances and operation.

## 14. **AMENDMENTS**

These bylaws may be amended or repealed, in whole or in part, by the affirmative vote of two-thirds of all of the directors then serving on the board at any regular or special meeting called for that purpose, provided that notice of the proposed amendment is given in the notice of the meeting or notice thereof is waived in writing by all directors.

14.1 **Effective Date of Bylaws:**

A bylaw shall go into effect immediately with the announcement of the vote adopting it. The only exception to this rule is if the motion to adopt provides a provision that states a later date.

15. **PARLIAMENTARY PROCEDURE**

Unless defined in these bylaws, the Oregon Tech Foundation shall use the latest edition of “*Roberts Rules of Order*” for determining parliamentary procedure.

16. **DEFINITION OF TERMS**

16.2 **Majority**

The term “majority” refers to the majority of the voting members at a meeting. The failure of some Board of Directors to vote does not reduce the number of affirmative votes required. Example: If 20 (out of 26 active) directors are present at a board meeting, an affirmative vote by 11 is necessary to act, regardless of the number voting.

16.2.1 Ex-officio members are excluded for the purposes of computing a majority.

16.3 **Quorum**

A quorum is required at all times to conduct official business of the Oregon Tech Foundation, including one of its committees.

16.3.1 A quorum shall consist of a majority of the directors then serving on the Board at a meeting of the Oregon Tech Foundation or a majority of committee members serving on a Foundation committee. If a quorum is present, a vote is valid even though fewer than the quorum vote.

16.3.2 Ex-officio members are excluded for the purposes of computing a quorum.

Adopted November 13, 2015 by action of the Oregon Tech Foundation Board of Directors.

Trevor Mauch, Secretary \_\_\_\_\_

One or more natural persons of the age of 21 years or more may incorporate a nonprofit corporation by signing, verifying and delivering Articles of Incorporation in duplicate to the Corporation Commissioner. The procedure for the formation of nonprofit corporations is set forth in ORS 61.305 through 61.325. See ORS 61.311 for the content of Articles of Incorporation.

Nonprofit

Articles of Incorporation

OF

OREGON TECH DEVELOPMENT FOUNDATION

The undersigned natural person(s) of the age of twenty-one years or more, acting as incorporators under the Oregon Nonprofit Corporation Law, adopt the following Articles of Incorporation:

ARTICLE I The name of this corporation is OREGON TECH DEVELOPMENT FOUNDATION

(The corporate name cannot contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation; and cannot contain the word "cooperative". See ORS. 61.071.)

and its duration shall be indefinite

ARTICLE II The purpose or purposes for which the corporation is organized are:

To promote and extend those services, programs or activities of Oregon Technical Institute, or any successor or affiliated institution, which directly or indirectly benefit its students, its faculty and staff or the people of the State of Oregon;

and, relative to any and all  
assets acquired by the corporation:

To conduct any or all transactions involving the management of funds or property which are lawful activities of any other owner or manager of property within the State of Oregon;

and, to the extent essential to the accomplishment  
(See Attached Page)

(It is not necessary to set forth in the articles any of the corporate powers enumerated in ORS 61.061. It is sufficient to state, either alone or with other purposes, "That the corporation may engage in any lawful activity, none of which is for profit, for which corporations may be organized under ORS Chapter 61"; however, it is desirable to state the primary purpose of the corporation in conjunction with such statement.)

ARTICLE III The address of the initial registered office of the corporation is President's Office

Oregon Technical Institute  
Campus Way

Klamath Falls, Oregon

97601

(Street and Number)

(City and State)

(Zip)

and the name of its initial registered agent at such address is W. D. Purvine

ARTICLE IV The number of directors constituting the initial board of directors of the corporation is

12

(At least three)

, and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and shall qualify are:

Name

(Street and Number)

Address

(City and State)

(Zip)

J. Vern Owens

412 Main Street Klamath Falls, Oregon 97601

Stanley S. Miller

1410 S. Sixth Street Klamath Falls, Oregon 97601

W. D. Purvine

2051 Melrose Street Klamath Falls, Oregon 97601

W. M. Douglass

1975 Del Moro St. Klamath Falls, Oregon 97601

ARTICLE V The name and address of each incorporator is:

<u>Name</u>	<u>(Street and Number)</u>	<u>Address</u> <u>(City and State)</u>	<u>(Zip)</u>
W. D. Purvine	2051 Melrose Street	Klamath Falls, Oregon	97601
J. Vern Owens	412 Main Street	Klamath Falls, Oregon	97601
Van Morrison	540 Main Street	Klamath Falls, Oregon	97601
James Stillwell	519 Main Street	Klamath Falls, Oregon	97601
Harry Bolvin	110 N. 6th Street	Klamath Falls, Oregon	97601

ARTICLE VI The provisions for the distribution of assets on dissolution or final liquidation are:

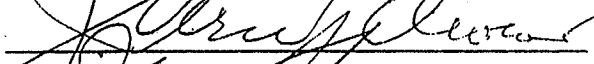
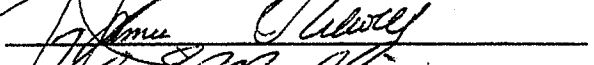
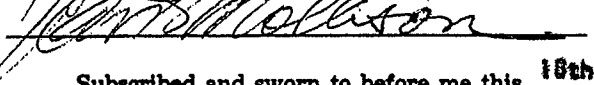
All property held in trust or subject to conditions stipulated by donors shall be disposed of in accordance with the designated requests of donors to the extent that the requests are possible, practical and lawful.

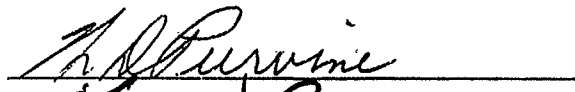
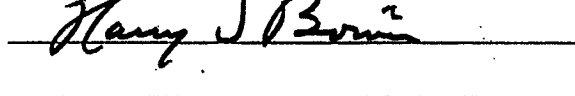
All remaining assets shall be transferred to and vested in Oregon Technical Institute, or any successor institution, or the Oregon State Board of Higher Education or the State of Oregon, depending upon the decision of the Board of Trustees of the Foundation.

ARTICLE VII (Optional provisions for the regulation of the internal affairs of the corporation as may be appropriate. If none, leave blank.)

STATE OF Oregon  
County of Klamath } ss.

We, the undersigned incorporators, herewith execute the foregoing and, being first duly sworn, declare the statements contained therein are true.

Subscribed and sworn to before me this 18th day of December, 1969

  
Notary Public for Oregon

My commission expires: July 23, 1973

STATE OF OREGON  
DEPARTMENT OF COMMERCE  
CORPORATION DIVISION

Submit Original and One  
True Copy  
No Fee Required

ARTICLES OF AMENDMENT  
FOR  
NONPROFIT CORPORATION  
(ORS 61.370)

1. Name of corporation prior to amendment: Oregon Tech Development Foundation
2. State article number(s) and set forth article(s) as amended.  
Change corporation name to Oregon Tech Foundation.

3. (Check below the statement which is correct.)

If there are no members having voting rights:

- ☐ Articles of amendment were adopted by majority of Directors in office at a meeting on \_\_\_\_\_, 19\_\_.

If there are members having voting rights:

- ☒ The articles of amendment were adopted at a meeting of the members at which there was a quorum and received at least two-thirds of the vote and the meeting was held October 18, 1986.

- ☐ All members entitled to vote consented in writing to the articles of amendment.

We, the undersigned officers, declare under penalties of perjury that we have examined the foregoing and to the best of our knowledge and belief, it is true, correct and complete.

By [Signature]  
President or Vice President

and [Signature]  
Secretary or Assistant Secretary

Dated October 18, 1986

Person to contact about this filing.

John H. Smith  
NAME

503-882-6321, ext 442  
PHONE NUMBER

Submit the original and one true copy to the Corporation Division, Commerce Bldg., 158 12th Street NE, Salem, Oregon 97310.





DEPARTMENT OF JUSTICE

PORTLAND OFFICE  
1515 SW 5th Avenue  
Suite 410  
Portland, OR 97201  
Telephone: (503) 229-5725  
FAX: (503) 229-5120  
July 12, 1990

Oregon Tech Foundation  
James Dotherow  
3201 Campus Drive  
Klamath Falls, Oregon 97601

RE: Registration Under the Charitable Trust and Corporation Act  
Annual Report for the Period Ending December 31, 1989

Ladies/Gentlemen:

This will acknowledge registration of your organization under the Charitable Trust and Corporation Act. Your registration number with this office is 72-15099.

Our records have been noted that your accounting period ends December 31. Annual reports which may be required by the Act are due not later than four months and 15 days after the close of your accounting period. Please note that our annual reports are in addition to and different from the annual reports that nonprofit corporations must file with the Oregon Corporation Division, Office of the Secretary of State.

We have determined that your charitable trust report for the period ended December 31, 1989, would be required under the Act. To avoid the imposition of the \$20 penalty charge for late filing/payment under the Act, please file your report, together with the required statutory filing fee, within four months and 15 days after the close of your accounting period or within 60 days from the date of this letter, whichever is later. Enclosed are our reporting forms for your use in filing this report.



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0752255943  
Aug. 15, 2014 LTR 4168C 0  
23-7056213 000000 00  
00025579  
BODC: TE

OREGON TECH DEVELOPMENT FOUNDATION  
% PRESIDENTS OFFICE OREGON TECHNICA  
3201 CAMPUS DR  
KLAMATH FALLS OR 97601-8801



025288

Employer Identification Number: 23-7056213  
Person to Contact: Customer Service  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Aug. 06, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in OCTOBER 1972.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

**Internal Revenue Service**

**Date:** June 28, 2006

OREGON TECH DEVELOPMENT FOUNDATION  
% PRESIDENTS OFFICE OREGON TECHNICA  
3201 CAMPUS DR  
KLAMATH FALLS OR 97601-8801

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**  
Ms. Edwards 31-07427  
Customer Service Representative  
**Toll Free Telephone Number:**  
877-829-5500  
**Federal Identification Number:**  
23-7056213

Dear Sir or Madam:

This is in response to your request of June 28, 2006, regarding your organization's tax-exempt status.

In October 1972 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE  
Customer Account Services

## **AGREEMENT TO EXCHANGE SERVICES AND SUPPORT**

This Agreement to Exchange Services and Support (this "Agreement") is by and between the Oregon Institute of Technology ("Oregon Tech") and the Oregon Institute of Technology Foundation ("Foundation") and is dated as of July 1, 2016 (the "Effective Date"). Oregon Tech and the Foundation may be referred to herein collectively as the "Parties" or individually as a "Party".

### **RECITALS**

- A. Heretofore, the Parties entered into that certain Restated Oregon Institute of Technology and Oregon Tech Foundation Contract to Exchange Services and Support with a term from December 13, 2002 to December 13, 2003 and which may have been extended and amended from time to time (the original contract and any extensions and amendments thereto are collectively referred to herein as the "Prior Contract").
- B. The Prior Contract has expired and is no longer of any force and effect.
- C. As of July 1, 2015, Oregon Tech is a public institution of higher education that, in accordance with ORS 352.025 et. Seq., is governed by a Board of Trustees appointed by the Governor of Oregon ("Board of Trustees"). The daily operations of Oregon Tech are conducted by the President of Oregon Tech.
- D. Prior to July 1, 2015, certain Oregon Administrative Rules applied to Oregon Tech. After July 1, 2015, the Oregon Administrative Rules became irrelevant; however, the Board of Trustees adopted the previously applicable Oregon Administrative Rules as "University Policies". The University Policies retain the same numbering protocol as the previously applicable Oregon Administrative Rules which are attached to this Agreement for reference (Attachment #1).
- E. The Foundation is a public benefit corporation incorporated and existing under Oregon laws ORS Chapter 65 established for the sole purpose of aiding and promoting the educational purposes of Oregon Tech; furthermore, the Foundation has the status of a non-profit, tax-exempt, organization, pursuant to Section 501(C)(3) of the U.S. Internal Revenue Code.
- F. Oregon Tech has recognized the Foundation as satisfying the requirements set forth in University Policy 580-46-0005 and the Foundation has confirmed that it continues to meet those requirements, has accepted Oregon Tech's recognition as provided in University Policy 580-46-0010, and has provided Oregon Tech's president with the reaffirmation required under 580-046-0010(3).

- G. It is the desire of the Parties to set forth the manner in which Oregon Tech is to provide support to the Foundation and in which the Foundation is to provide support to Oregon Tech.

#### **AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by Oregon Tech and the Foundation, the Parties agree as follows:

**1.0 Support Provided by the Foundation to Oregon Tech.** The Foundation's sole purpose is to provide support to Oregon Tech. Support includes, but is not limited to:

- 1.1 Raising, receiving, investing and administering funds for Oregon Tech to use for its charitable, scientific, cultural and educational purposes;
- 1.2 Assisting Oregon Tech's Office of Development and Alumni Relations in its fund raising activities and development programs with individuals, corporations, foundations, and other organizations;
- 1.3 Soliciting funds for the purchase of equipment, supplies, faculty and staff development, faculty chairs, student projects and scholarships, and supporting any other lawful purpose of Oregon Tech so long as all such solicitations are conducted in compliance with the Foundation's Bylaws, Articles of Incorporation, and the Foundation's nonprofit and tax exempt status;
- 1.4 Participating in the development of and conducting its activities in a manner that support strategic plans, goals, and priorities for fundraising that have been adopted by Oregon Tech;
- 1.5 Funding wholly or in part, including other payroll expenses, Oregon Tech employee positions that are not funded by Oregon Tech but do provide services to the Foundation and indirectly to Oregon Tech;
- 1.6 Unless otherwise specifically designated by the Foundation, assigning to Oregon Tech any and all rights to claims the Foundation may have acquired or may acquire in the future to publications, inventions, and all other forms of intellectual property evolving directly or indirectly from research and related activities conducted by employees of Oregon Tech with funds provided to Oregon Tech by the Foundation;
- 1.7 Performing other activities deemed appropriate by the Foundation's Board of Directors in carrying out the stated purposes of Oregon Tech and the Foundation.

**2.0 Support Provided by Oregon Tech to the Foundation.** Oregon Tech agrees to provide services and support to the Foundation as described below.

- 2.1 Office space including office furniture, equipment, utilities and janitorial services that are sufficient to accommodate people working on behalf of the Foundation

to be provided on such terms and at such location(s) as are mutually acceptable to the Parties;

- 2.2 Student employees to perform miscellaneous services to the Foundation, including but not limited to telethons, administrative duties, data entry and receipt of gifts;
- 2.3 Assistance in arranging Foundation meetings and events, including arranging catering and meeting spaces;
- 2.4 Developing and producing publicity (a) to be used by the Foundation to promote Oregon Tech, (b) about Foundation-sponsored events to increase public awareness about Oregon Tech, and (c) to promote development of donor relations and donations to the Foundation (additionally, the Foundation may use marketing materials produced by Oregon Tech's Marketing, Communication and Public Affairs Department with the prior approval of the Marketing Department);
- 2.5 General office services including but not limited to typing, filing, reception and telephone communication, recording gifts (but not payment card information), processing disbursement documents, recording transfers between accounts and maintaining other fiscal records and reports as may be required;
- 2.6 Use of Oregon Tech's Information Technology Office services including all telephone related services, data and/or network services, and computer systems services, including internet access and central web services, provided that the Foundation is not authorized to access or use personal information (as that term is defined by applicable law) through such Information Technology Office services. The Foundation agrees to comply with all applicable federal and State regulations and Oregon Tech policies on use and security of such services and information that may be accessed through such services;
- 2.7 Use of Oregon Tech's Printing Department that includes printing, duplicating, mailing services, campus mail and campus freight;
- 2.8 Oregon Tech may provide other support to the Foundation that is consistent with the support described above as funding is available.

### **3.0 Relationship between Oregon Tech and the Foundation.**

- 3.1 The Parties agree to acknowledge and respect each other's independence, to act at all times so as not to jeopardize that independence, and to actively seek and encourage a cooperative relationship between Oregon Tech and the Foundation.
- 3.2 The Board of Directors of the Foundation is responsible to control, manage and invest all assets of the Foundation, and to delegate management authority, including the prudent management of all gifts and donations consistent with donor intent and applicable federal and state laws.
- 3.3 No employee of Oregon Tech may be a voting member of the Foundation's board of directors, see University Policy 580-046-0025(3).

- 3.4 Oregon Tech employees that are also ex-officio non-voting members of the Foundation Board of Directors include:
  - 3.4.1 The President of Oregon Tech or his/her designee;
  - 3.4.2 The Vice President for Development and Alumni Relations; and
  - 3.4.3 The Vice President for Finance and Administration.
- 3.5 The Foundation shall cooperate with the President of Oregon Tech to permit compliance with University Policy 580-046-0030(2).
- 3.6 Should a conflict of interest arise with respect to employees of Oregon Tech that serve on the Foundation's Board of Directors, any such conflict shall be resolved solely by the independent officers, the President of Oregon Tech, and the Board of Directors of the Foundation who are not directly or indirectly involved in the conflict situation.
- 3.7 Should any third party claim be asserted against a Party (the "First Party"), the other Party will cooperate with the First Party and the First Party's representatives in connection with the defense of such claim.

#### **4.0 Financial Arrangements.**

- 4.1 The Foundation shall reimburse Oregon Tech for the cost of providing its personnel, services and supplies at the same rate as Oregon Tech charges its departments and schools, the amount(s) to be determined on an annual basis.
- 4.2 Oregon Tech agrees to employ, compensate, and evaluate designated employees in the Development and Alumni Relations Department.
- 4.3 Oregon Tech agrees to provide annual financial support to the Foundation in an amount to be determined each fiscal year for personnel, services, and supplies as follows:
  - 4.3.1 The amount shall be determined annually between Oregon Tech and the Foundation;
  - 4.3.2 The annual support shall reflect prior support of Foundation activities by Oregon Tech; and
  - 4.3.3 Annual support shall reflect non-operating activities of the Foundation, committed to by the Foundation in support of and at the request of Oregon Tech, that require use of operating funds to meet financial obligations (i.e., loans or leases for the benefit of Oregon Tech).
- 4.4 The Foundation shall not make any payments to an employee of Oregon Tech except as permitted by University Policy 580-046-0035(6); furthermore, Oregon Tech agrees to provide the President's approval required by University Policy 580-046-0035(6)(b) so long as Oregon Tech's interests will not be jeopardized thereby.



- 4.5 The Foundation shall provide Oregon Tech's President and Board of Trustees with an annual report summarizing gifts received by the Foundation.

## **5.0 Goal Setting and Fundraising**

- 5.1 The Foundation shall participate in the development of strategic goals, priorities and plans for fundraising for the benefit of Oregon Tech;
- 5.2 Oregon Tech shall provide to the Foundation on an annual basis, its priorities for the Foundation's fundraising efforts;
- 5.3 The President of Oregon Tech shall assume a prominent role in the fundraising activities of the Foundation; and
- 5.4 The Foundation agrees to coordinate all fundraising goals programs, campaigns and activities with personnel in Oregon Tech's Office of Development and Alumni Relations or others designated by Oregon Tech.

## **6.0 Data Base(s), Student Records, Alumni Records, and Donor Information.**

- 6.1 The Foundation shall operate and maintain the Foundation's data processing equipment including but not limited to the following:
  - 6.1.1 Peripheral hardware and software;
  - 6.1.2 Hardware and software systems programs to provide accounting, development, and alumni record keeping.
- 6.2 Except as may be limited by State or Federal law, Oregon Tech shall provide the Foundation with access to those student and alumni records necessary for the Foundation to grant scholarships, engage and solicit gifts from alumni, and other purposes consistent with the Foundation's Bylaws relating to support of Oregon Tech and furthering Oregon Tech's educational mission. For these purposes, the Foundation is a school official with a legitimate education interest within the meaning of FERPA (20 U.S.C. §1232g; 34 CFR Part 99).
- 6.3 As required by the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g ("FERPA") and ORS 326.565, the Foundation shall not disclose any information or records regarding students or their families that the Foundation may learn or obtain in the course and scope of its performance of this Agreement. The parties recognize that FERPA imposes strict penalties for improper disclosure or re-disclosure of confidential student information, including but not limited to denial of access to personally identifiable information from education records for at least five years (34 CFR § 99.67). Therefore, consistent with FERPA's requirements, personally identifiable information obtained by the Foundation in the performance of this Agreement may not be re-disclosed to third parties without the written consent of the student's parent/guardian and must be used only for the purposes identified in this Agreement.
- 6.4 Oregon Tech will not share personal information (as that term is defined by applicable law) with the Foundation. To the extent the Foundation has received



such information in the past, it will comply with the administrative, physical, and technical safeguards set forth in ORS 646A.622.

- 6.5 The Foundation is solely responsible for acquiring, storing, transmitting, processing, and otherwise using donor and potential donor information, including without limitation payment card data. The Foundation shall use their best efforts (and in no event less than reasonable efforts) to protect the confidentiality of donor and potential donor information and shall not, without the prior written consent of the donor or potential donor, acquire, store, transmit, process or otherwise use the names, addresses, telephone numbers, payment card data, or other personal information of donors or potential donors, regardless of when collected, to anyone other than its board of directors, officers, employees, lawyers, accountants, affinity partners, and other professional advisors, who need to know such information, except pursuant to a court order or an opinion of counsel to the effect that such disclosure is required by applicable law. The Foundation's accounting, development, and alumni records shall be on processing equipment that is compatible with Oregon Tech's processing equipment.

**7.0 Foundation to be Primary Recipient of Gifts, Certain Restrictions Apply.**

- 7.1 Oregon Tech acknowledges that the Foundation shall receive most charitable contributions, gifts and grants that benefit Oregon Tech and the Foundation; additionally, the Foundation shall administer all charitable contributions, gifts and grants it receives in accordance with applicable restrictions and preferences and in compliance with this Section.
- 7.2 The Foundation shall consult with and gain the prior approval of Oregon Tech's Vice President of Development and Alumni Relations, or its designee or successor, regarding any restrictive terms and conditions placed on potential gifts by donors.
- 7.3 Prior to accepting any gift of real or tangible personal property that is to be utilized by Oregon Tech, the Foundation shall obtain the written approval of Oregon Tech's Vice President of Finance and Administration and/or any other approvals required by Oregon Tech.
- 7.4 Notwithstanding sections 7.1-7.3, the Foundation acknowledges that revenues received from Oregon Tech activities, shall not be deposited in a Foundation account. Oregon Tech and the Foundation agree that if either of them receives funds intended for the other, such funds shall be handled as follows:
- 7.4.1 If Oregon Tech receives funds intended for the Foundation, then such funds shall be identified, deposited in a state account and promptly transferred to the Foundation after receipt of supporting documents showing that the Foundation was the intended recipient; and

- 7.4.2 If the Foundation receives funds intended for Oregon Tech, the Foundation shall identify and isolate such funds in its accounting records and promptly transfer such funds to Oregon Tech after receipt of supporting documents showing that Oregon Tech was the intended recipient.
- 7.5 Oregon Tech shall follow all donor designations of gifts and applicable law governing the use of such gifts made to the Foundation:
  - 7.5.1 When cash, or assets converted to cash, are made available for use by Oregon Tech, Oregon Tech must follow any donor restrictions or designations related to the gift.
  - 7.5.2 When tangible personal property, such as equipment, is donated to the Foundation and ownership is subsequently transferred to Oregon Tech, Oregon Tech must follow any donor restrictions or designations related to the gift. In all circumstances, however, the useful life of such property will be deemed to end and the property can be disposed of when it becomes obsolete, requires extensive repairs, or outlives its relevance or intent. The Foundation will make clear to prospective donors of such property, in writing, that the terms of this section 7.5.2 apply to all donations of tangible personal property. Unless the Foundation retained ownership of any such donated tangible personal property, proceeds from any disposition must:
    - 7.5.2.1 Be used towards the replacement of the disposed of asset;
    - 7.5.2.2 If it is not possible to replace the gifted asset, then proceeds shall go to the same program to be used for other needed assets; if there are no other equipment needs, then the proceeds shall go to the same program for general use; or
    - 7.5.2.3 If the program no longer exists, then the proceeds shall go to a general endowed equipment fund.

## **8.0 Foundation Audits and Reporting**

- 8.1 The Foundation shall select an independent certified public accounting firm to serve as the Foundation's auditor and shall enter into a contract for a full and complete annual audit of its financial statements in accordance with auditing standards generally accepted in the United States of America.
- 8.2 The Foundation shall notify the President of Oregon Tech within 30 days if the Foundation selects a new certified public accounting firm to perform the Foundation's annual audits and the reason(s) for the change.
- 8.3 The Foundation shall provide the President of Oregon Tech with the following information on an annual basis or more often if reasonably requested by the President:

- 8.3.1 The complete Audit Report;
- 8.3.2 A list of Foundation officers, directors, and ex-officio members of the board of directors and their respective contact information; and
- 8.3.3 The names of the officers, directors or trustees of all entities to which University Policy 580-046-0020 (4) and (5) apply.
- 8.4 The Foundation, in accordance with University Policy 580-046-0040(2)(b) shall permit the President of Oregon Tech or their designee to inspect and audit all reports of and information on its financial status and operations to assure compliance with these rules. Confidentiality of records and reports shall be maintained consistent with applicable law.

#### **9.0 Foundation's Use of Oregon Tech's Name**

- 9.1 The Foundation may, solely in furtherance of the transactions contemplated by this Agreement, use the name of Oregon Tech (including Oregon Institute of Technology) and Oregon Tech's logo(s), informal seal and other symbols and marks of Oregon Tech.
- 9.2 The Foundation shall not delegate the permissions granted in 9.1 to any person or entity without the prior written approval of the President of Oregon Tech.
- 9.3 The Foundation shall cease the uses permitted in 9.1 upon (i) the termination of this Agreement, (ii) the dissolution of the Foundation, (iii) the withdrawal of recognition of the Foundation pursuant to University Policy 580-046-0045, or (iv) when the Foundation ceases to be a non-profit corporation or otherwise fails to comply with University Policy 580-046-0020 (1), (2), or (3).

#### **10.0 Affiliates and Associates of the Foundation**

- 10.1 Affiliates:
  - 10.1.1 The Foundation shall comply with University Policy 580-046-0020(4) regarding its affiliates that are part of the Foundation's organization and that support a particular unit or activity of Oregon Tech but are not separately incorporated.
  - 10.1.2 The Foundation's affiliates are:
    - 10.1.2.1 Oregon Tech Alumni Association; and
    - 10.1.2.2 Shaw Historical Library.
- 10.2 Associate: The Foundation shall comply with University policy 580-046-0020(5) regarding entities with which the Foundation may form relationships or associations.
- 10.3 Oregon Tech's President has approved the affiliates identified in 10.1.2 and agrees to inform the Board of Trustees of such affiliates;

- 10.4 Oregon Tech may recommend that the Foundation include a previously unrecognized affiliate or associate to which the Foundation agrees to give due consideration so long as any such recommended affiliate or associate complies with University Policies 580-046-0020(4) and (5).
- 10.5 The Foundation acknowledges that all official affiliates and associates shall be permitted one ex-officio representative to the Foundation Board of Directors and shall receive advance notice of meetings of the Foundation Board of Directors and activities of the Foundation.

#### **11.0 Compliance with Laws and Indemnification**

- 11.1 Oregon Tech and the Foundation agree to comply with all laws applicable to each of them.
- 11.2 Except as otherwise limited by applicable Oregon law, ORS 30.260 – 30.300, and the Oregon Constitution, Article XI, Section 7, Oregon Tech and the Foundation shall each and independently be responsible for tortious acts committed by it and those of its directors, trustees, officers, employees, consultants, or agents arising out of, or in any way connected with, the acts of each of them under this Agreement.

#### **12.0 Indemnification**

- 12.1 The Foundation will indemnify, defend, and hold harmless Oregon Tech from and against all Claims (defined as any and all damages, costs, expenses, suits, claims, and liabilities of any kind or nature, including without limitation reasonable attorney fees and costs) suffered or incurred by or brought against Oregon Tech that arise out of or related to any breach of this Agreement by the Foundation or any unauthorized access or use of personal information (as that term is defined by applicable law) by the Foundation.
- 12.2 Oregon Tech will indemnify, defend, and hold harmless the Foundation from and against all Claims (defined as any and all damages, costs, expenses, suits, claims, and liabilities of any kind or nature, including without limitation reasonable attorney fees and costs) suffered or incurred by or brought against the Foundation that arise out of or related to any breach of this Agreement by Oregon Tech or any unauthorized access or use of personal information (as that term is defined by applicable law) by Oregon Tech.

#### **13.0 Term, Extensions, Termination, Amendments**

- 13.1 The term of this Agreement shall be one year beginning on July 1, 2016 and expiring on June 30, 2017 (the "Initial Term"). This Agreement shall be extended for sequential one year terms beginning on July 1, 2017 ("Subsequent Terms") except to the extent either Party provides a notice of termination of this Agreement to the other Party within 30 days in advance of the expiration of the Initial Term or Subsequent Term.

- 13.2 If the Oregon Legislature fails to provide funds in a sufficient amount to permit Oregon Tech to continue the operations and activities set forth in this Agreement, then Oregon Tech may terminate this Agreement by providing written notice to the Foundation at least 30 days in advance of any such termination and the Parties shall negotiate the terms of a new agreement with respect to the exchange of services and support between them.
- 13.3 If Oregon Tech terminates this Agreement pursuant to 13.2, the Foundation may demand that Oregon Tech pay, within 180 days of written notice, all debt(s) incurred by the Foundation on behalf of Oregon Tech including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives. If the Foundation terminates this Agreement, Oregon Tech may demand that the Foundation pay debt it holds on behalf of the Foundation.
- 13.4 This Agreement may be amended only by mutual written consent of the Parties.

14.0 **Entire Agreement.**

- 14.1 This Agreement represents the entire agreement between Oregon Tech and the Foundation covering the exchange of services and support between them. This Agreement supersedes all previous communication, either oral or written, between the Parties with respect to the subject matter hereof.

SO AGREED:

OREGON TECH

FOUNDATION

By



By



Its

PRESIDENT

Its

President of the Board



## **ATTACHMENT #1**

Effective July 1, 2015, Oregon Institute of Technology (Oregon Tech) became a separate legal entity from the Oregon University System and now operates under its own Board of Trustees. With the dissolution of the OUS System many of the Oregon Administrative Rules (OARs) specific to Oregon Tech and higher education in general were repealed.

Chapter 580 of the OARs, previously promulgated by the State Board of Higher Education, were effectively readopted as University Policies in substantially identical form on July 1, 2015. They are incorporated into the University Policies, retaining their previous OAR numbers without the "OAR" designator.

To interpret the Policies during this transition period, note that "Board" or "State Board of Higher Education" now refers to Oregon Tech's Board of Trustees; "Chancellor" means "University President;" "Institution" means Oregon Tech; and so on.

### **University Policy**

#### **580-046-0005 Recognition of a Foundation**

- (1) An institution president may award recognition as an institution foundation to an entity that meets and maintains the requirements of these rules. Throughout division 046, "president" refers to an institution president and "foundation" refers to an institution foundation.
- (2) Only one entity may have recognition as a foundation, except that the president may recognize other foundations existing at the time this rule is adopted. The president shall report all awards of recognition to the chancellor. All private support of the institution not provided directly to the institution shall be through a recognized foundation, or affiliated or associated organizations as provided by OAR 580-046-0020(4) and (5).
- (3) To be eligible for recognition and to maintain continued recognition, a foundation must:
  - a. Be created and operated with the primary purpose of support of the institution;
  - b. Have as its purpose the solicitation, management and/or investment of private support for the benefit of the institution;
  - c. Be organized and operated in a manner to permit compliance with these rules.
- (4) Procedures for Recognition:
  - a. An entity seeking recognition as a foundation shall submit to the president for review its:
    - A. Articles of Incorporation;
    - B. Bylaws; and
    - C. Any other of its organic or enabling documents.
  - b. A president shall notify the governing body of a foundation in writing of recognition and that compliance with these rules is a condition of continued recognition.
  - c. The foundation shall submit all amendments to the documents described in subsection (4)(a) of this rule to the president who shall submit them to the Chancellor.
- (5) State System Foundation:

- a. The Chancellor may recognize as the State System foundation an entity created to provide support to the Oregon State System of Higher Education.
- b. In the event of recognition, the procedure, conditions and limitations of these rules shall apply.
- c. In such instances, all references in these rules to a president shall be deemed to refer to the Chancellor and references to institution shall be deemed to refer to the State System. Where these require reports to the Chancellor, the Chancellor shall report to the President of the Board of Higher Education.

#### **580-046-0010 Privileges and Responsibilities of Recognition**

- (1) Privileges of recognition by a president of a foundation may include:
  - a. License to use the institution name, logos, informal seals, symbols, and marks; and
  - b. Use of institution resources in a manner provided by OAR 580-046-0035(7).
- (2) No individual, group or entity not awarded recognition under these rules shall use any of the privileges described in this rule or otherwise make use of the institution name except as expressly approved by the institution by license or contract.
- (3) A foundation's governing body promptly shall provide to the president a resolution of acceptance of the condition expressed in OAR 580-046-0005(4)(b), and such resolution of acceptance shall be reaffirmed annually.

#### **580-046-0020 Institution Foundation Organization, Affiliates, Relationships**

- (1) A foundation shall be organized and operated pursuant to the Oregon nonprofit corporation law.
- (2) A foundation shall obtain and maintain status as a tax-exempt entity pursuant to Section 501(C)(3) of the federal Internal Revenue Code and other similar Oregon statutes.
- (3) A foundation's articles of incorporation or other governing documents shall require that, upon its dissolution or withdrawal of recognition, the foundation's net assets shall, within the limitations imposed by legal and fiduciary rights and responsibilities, be distributed to the institution that awarded recognition, or another entity that has been awarded recognition by that institution pursuant to OAR 580-046-0005.
- (4) A foundation may include as part of its organization one or more affiliates that support a particular unit or activity of the institution but that are not separately incorporated.
  - a. An affiliate may have an advisory board that reports to and is advisory to the foundation governing body. Institution employees may serve on affiliate's advisory board so long as they do not comprise a majority of the advisory board membership nor a majority of any quorum of such body. Institution employees may provide staff support for an advisory board, subject to OAR 580-046-0035(7).
  - b. A foundation shall not delegate to an advisory board of an affiliate its authority to hire personnel or to enter into contracts.
  - c. A member of each advisory board of an affiliate should serve on the foundation governing body whenever possible.

- d. No entity shall become an affiliate of a foundation until the affiliation is approved in writing by the president and reported to the Chancellor.
- (5) A foundation may establish or associate with another entity interested in the institution, provided:
  - a. The president in writing approves of such relationship prior to any operations and the president reports approval to the Chancellor;
  - b. Such relationship does not impair or circumvent the requirements of OAR 580-046-0025 and otherwise is consistent with the requirements of these rules; and
  - c. All for-profit activities are approved by the president and reported to the Chancellor.
- (6) Upon application of an institution, the Board of Higher Education may grant specific exemptions from the provisions of sections (4) and (5) of this rule.

#### **580-046-0025 Foundation Independent from Institution**

- (1) A foundation shall be independent of the institution.
- (2) To assure independence, a foundation's governing body, employees, and agents:
  - a. Shall not be subject to control by the institution or an institution employee;
  - b. Shall not give the appearance that the institution or any of its officers or employees control the foundation or its property, including investment of gifts and endowments made to the foundation.
- (3) No institution employee may be a voting member of a governing body of the institution-recognized foundation.

#### **580-046-0030 President's Responsibilities, Additional Rules**

- (1) A president or designee shall be, and other institution employees may be, ex officio, nonvoting members of a foundation's governing body and of any executive or similar committee empowered to act for the governing body. Such appointments shall be described in all contracts entered into pursuant to PAR 580-046-0035(7).
- (2) The president shall monitor foundation activities and institution foundation relationships to ensure compliance with Board of Higher Education rules and periodically shall report thereon to the Chancellor.
- (3) A president may establish additional written policies and guidelines applicable to a foundation consistent with these and all Board of Higher Education rules and Internal Management Directives. Such policies and guidelines shall be reported to the Chancellor and the Board prior to their adoption.
- (4) The president shall report to the Chancellor as required by OAR 580-046-0005(3) and (4)(c); 580-046-0020(4)(d), (5)(a), and (5)(c); 580-046-0030(2) and (3); 580-046-0035(3), (6)(b), (6)(c), and (7)(b); 580-046-0040(2)(a); and 580-0046-0045(1).

#### **580-046-0035**

- (1) An institution employee may, consistent with ORS 351.130, encourage gifts to the institution directly as well as through the foundation.
- (2) In accepting gifts of any kinds, a foundation shall:



- a. Obtain institution approval of any restrictive terms and conditions, and advise donors that a restricted gift for the benefit of the institution may not be accepted without institution approval; and
  - b. Coordinate with the institution's development office or other appropriate institutional officer regarding funding goals, programs or campaigns proposed by an institution.
- (3) The foundation shall report gifts to the foundation and to an institution as a result of foundation activities. Such reports shall be made annually to the president. The president shall provide such reports to the Chancellor.
- (4) Revenue received from an institution activity, other than through normal development activities, shall not be deposited in a foundation account.
- (5) An institution and the institution-recognized foundation shall develop and implement guidelines regarding the identification of funds so that the intended donee, whether institution or foundation, actually receives the funds, subject to the following:
  - a. If the foundation is the intended recipient of funds made payable to an institution, the funds shall first be deposited in a state account and then transferred to the foundation.
  - b. Funds payable or gifts made to the institution shall not be transferred to the foundation unless accompanying documents demonstrate that the foundation is the intended recipient.
  - c. If the foundation deposits funds in its accounts or receives other gifts intended for the institution, the foundation shall transfer those funds or gifts to the institution.
- (6) Salaries, consulting fees, loans, perquisites or other benefits provided to or on behalf of an institution employee, other than a student employee, by a foundation shall be:
  - a. Approved by the Board of Higher Education when paid to the president or other employee appointed directly by the Board of Higher Education.
  - b. Approved by the president in writing, and reported to the Chancellor in instances where subsection (a) of this section does not apply.
  - c. Paid by the foundation to the institution, which in turn will make payments to the employee in accordance with normal institution practice, except where the Chancellor approved a different form of payment. All exceptions shall be reported to the Board of Higher Education annually by the Chancellor.
  - d. This subsection is not applicable to reimbursements for actual and necessary travel and other expenses incurred for authorized institution or foundation purposes that are reported by the foundation to the president annually.
- (7) Institutional Contract with Foundation:
  - a. An institution may provide pursuant to a written contract limited and reasonable support to the foundation, including but not limited to the cost of utilities and janitorial services and all or part of the salary and related personnel costs of staff support, from funds otherwise available to the institution. As used in these rules, staff support is assistance by any personnel whose responsibilities and activities exclude policy making and other functions that would nullify the independence of the foundation from the institution.

- b. An institution providing support to a foundation shall contract with the foundation regarding the terms and conditions for implementing OAR 580-046-0010(1) and subsection (7)(a) of this rule and may contract for other purposes consistent with these rules. Any such contract and amendments thereto shall:
  - A. Accurately and fully describe the extent of such use and support and the consideration therefor;
  - B. Be reviewed by an Assistant Attorney General assigned to the Oregon Department of Higher Education; and
  - C. Be approved by the president and by the Chancellor or their respective designees.
- c. Funds received by an institution because of a contract with a foundation shall be placed in a current restricted account that is not a depository for donated or gift money.

#### **580-046-0040 Foundation Activities**

- (1) Financial and other activities of a foundation shall be administered and reported in accordance with law, prudent business practices and generally accepted accounting principles.
- (2) Audits and Financial Reports of the Foundation:
  - a. A foundation shall be audited annually by a certified public accountant. The audit report shall be provided promptly to the president, who shall submit it and accompanying documents to the Chancellor. The audit report shall be accompanied by a current list of foundation officers, directors, trustees, managers and legal counsel and the officers of any group or entity described in OAR 580-046-0020(4) and (5)
  - b. A foundation shall permit the president or, after consultation with both the institution and foundation president, the Chancellor, using institution or OSSHE internal auditors, to inspect and audit all foundation books and records at reasonable times. The foundation shall provide such reports of and information on its financial status and operations as required by the president or the Chancellor in order to assure conformance by the institution and the foundation with these rules.

#### **580-046-0045 Revocation of Recognition**

- (1) The president may revoke recognition as provided therein, if the president finds that a foundation or its operation conflict with these rules of the mission of the institution. The president shall inform and consult with the Chancellor regarding all activities involved in revocation of recognition and shall provide to the Chancellor copies of all documents relating thereto.
- (2) Prior to ordering revocation or recognition, a president shall notify the foundation's governing body of the reasons that could form the bases for revocation of recognition. Within 30 days of receipt of the president's notification, the foundation may in writing propose actions to remedy the deficiencies described by the president.

- (3) If the president approves the proposed actions, the foundation's governing body shall implement the proposals within a time specified by the president.
- (4) If the president rejects the foundation's proposed actions or finds that they are not adequately implemented, the president may revoke recognition by a written order to the foundation's governing body specifying the reasons for revocation.
- (5) An order revoking recognition may be appealed to the Board of Higher Education if filed with the Secretary of the Board within 30 days of the date the president issues the order revoking recognition. The Board shall review the president's decisions but shall not reverse that decisions unless the Board finds the president acted arbitrarily or capriciously.
- (6) An order revoking recognition shall terminate the contract provided by OAR 580-046-0035(7) and the privileges of recognition.



*Building a Great University:  
The Oregon Institute of Technology*

### **Oregon Tech Foundation (1969-1989)**

On December 18, 1969, the Oregon Tech Development Foundation was chartered with twelve directors. Its purpose was “to promote and extend those services, programs, or activities of Oregon Technical Institute, or any successor of affiliated institution, which directly or indirectly benefit its students, its faculty, and staff or the people of the State of Oregon.”

Under the leadership of Dr. Winston Purvine, Oregon Tech’s President, the Foundation began an ambitious enterprise of resource development from the private sector for the enrichment of the College program.

In 1977, under the guidance of Dr. Kenneth Light, the second President of the College, the Foundation’s major project was the construction of the football stadium in cooperation with the Tech Booster Club. While actual construction was accomplished through volunteer contributions of the time, labor and money, the project became a benchmark for future Foundation programs.

While the role of the Foundation has not changed, its purposes have undergone changes in keeping with the changes at OIT. These are reflected in a revised mission statement:

“to further the educational, cultural, charitable, and service functions of Oregon Institute of Technology, or any successor or affiliated institution; to acquire financial support for these activities through gifts, grants, bequests, development campaigns, or other types of transactions designed to create funds for the benefit of the College; to promote the public relations aspect of the College in order to improve the understanding of its programs among students, alumni, potential employers of graduates, friends of Oregon Institute of Technology and other individuals, groups, organizations, or publics.”

Although many changes have taken place in the ensuing years, the Foundation continues to provide much needed resources for the College in the form of scholarships, academic improvement grants and funds for special projects. Christopher Maples, OIT President, continues the tradition of providing guidance in program development for the Foundation.

Beginning with the initial contribution of \$500 a year, the Foundation assets now exceed over \$5 million, with over \$400,000 awarded annually for scholarships and other projects.



*Building a Great University:  
The Oregon Institute of Technology*

**Oregon Tech Foundation  
Gift Acceptance Policy  
Approved: December 13, 2002**

## **Purpose**

To provide guidelines and procedures for accepting and administering gifts, and for planned gifts, to assure legal and financial protection for both the Oregon Tech Foundation and its donors.

## **Definitions**

Permanently Restricted These are donations that are either explicitly defined by the donor to have the principal held in perpetuity, or thus implied by the use of a term such as “endowment,” whose commonly accepted meaning must be adhered to. The Oregon Tech Foundation cannot use any of the corpus (principal) of these restricted donations, but can use any and all gains and interest income earned from these (unrestricted).

Temporarily Restricted These are donations that are clearly designated for a specific purpose. The principal can only be used for the purpose stated by the donor (Restricted), but again, the interest and gains on these monies are unrestricted and can be used for any purpose (unrestricted).

Board Restricted These are donations that were given by the donors as general, unrestricted gifts, and they can be used for any purpose. There are only self-imposed restrictions on these funds, which can be altered by a vote of the foundation board.

General Guidelines

## **I. Gift Acceptance and Types of Gifts**

The Oregon Tech Foundation will accept gifts of cash, securities, trusts, insurance, other non-cash items, which may be donor-restricted, donor-designated, or unrestricted; and can be used for current, capital or endowment purposes.

The foundation terms unacceptable gifts, which are:

- A. Discriminatory because of restrictions based on race, color, religion, creed or nationality.

- B. Designating a gift beneficiary to the donor or his or her assigns (such as scholarships, fellowships, or professorships).

## **II. Gift Records and Acknowledgment**

As needed, the Oregon Tech foundation shall provide reports to the Oregon Institute of Technology for all gifts to the Foundation, indicating the amounts of all gifts and identity of the donors except for donors who request anonymity. Gifts from donors who request anonymity shall be reported to the Oregon Institute of Technology as anonymous gifts.

The Oregon Tech foundation shall prepare appropriate acknowledgements for all gifts received.

## **III. Restricted Gifts**

Acceptance of a gift imposes a legal obligation to comply with the terms established by the donor. Accordingly, the terms of each restricted gift will be reviewed carefully to ensure that it does not hamper the usefulness and desirability of the gift to the Foundation and/or the Institute.

If a gift is deemed unacceptable because of restrictions the donor has placed on its use, the donor shall be counseled to remove or modify the restrictions. Gifts shall be refused or returned when the propose: 1) is inappropriate or not conducive to the best interest of the Foundation or the Institute, 2) would obligate the Foundation or the Institute to undertake responsibilities, financial or otherwise, that they may not be capable of meeting during the period required by the terms of the gift.

## **IV. Gifts for Endowment**

The Foundation will accept permanently restricted endowment gifts and will invest and administer these funds as outlined in its Investment Policy and its Endowment Policy.

Endowment funds may be established with less than the prescribed amount if the donor guarantees to complete full funding by annual or other gifts within five years, or if the donor undertakes to complete the endowment with irrevocable estate plan provisions.

All formal documents establishing endowments shall permit the Foundation's Board of Directors, upon recommendation of its finance and/or Executive Committees, to expend funds for those purposes most closely resembling the donor's stated intent if those purposes should cease to exist through the

Foundation's or Institute's reorganization, program changes, or other changed circumstances, without notice to the donor.

The Foundation recognized three types of endowment funds:

A. Endowments (known as pure endowment or permanent endowments) designated under the instrument creating the fund are not expendable; they are to be kept in perpetuity. Only a donor who signs a memorandum of agreement with the Foundation can create such endowments. Donors may make additional contributions to existing endowments at any time. It is a specific responsibility of the Foundation's Finance Committee to oversee use of endowment funds to meet donor intent. Only the income of a portion of the total return may be expended. Funds cannot be withdrawn from the principal.

B. Term endowments are temporarily restricted funds and will be managed like endowments, but all or part of the principal may be expended after a stated period of time or upon the occurrence of a certain event.

C. Quasi-endowments, sometimes known as "Funds function as endowment," are board-restricted funds. These endowments are created by the Board of Directors (rather than by a donor's instructions) and thus, at any time, may be partially or totally expended by the board.

## **V. Procedures**

### **A. Stocks and Bonds**

The Board of Directors of the Oregon Tech Foundation delegates authority to the Executive Directors and the Treasurer of the Foundation to serve as its agents, alone or together, for the purpose of authorizing and direction transaction on any of its brokerage accounts.

Marketable securities shall be counted at the mean of the high and low quoted selling prices (or mean bid/ask in the case of certain securities) on the date the donor relinquishes dominion and control, which shall be determined as the postmarked date on the envelope in such instances where the securities are surrendered by mail, or as the date the securities were transferred into the Oregon Tech Foundation's brokerage account, or as the date the securities were physically surrendered to an official of the Foundation.

The Foundation will sell all marketable securities and bonds it receives as gifts, and will invest the proceeds from the sale under the directions of its Investment Policy.

Gifts of closely held stock exceeding \$10,000 in value will be reported at the fair market value placed on them by a qualified independent appraiser as required by IRS for valuing gifts of not publicly traded stock.

Gifts of closely held stock valued at \$10,000 or less may be valued at the per share cash price of the most recent transaction. Normally, this most recent transaction will be the redemption of the stock by the corporation.

#### B. Charitable Gift Annuity, Charitable Remainder Annuity Trust, and Charitable Remainder Unitrust Procedures

If the charitable gift annuity or charitable remainder trust funds are commingled with other gifts, the donor will receive a disclosure document describing the operation of the commingled funds at the time the gift is made to the Oregon Tech foundation. Payments will be made either quarterly, semi-annually, or annually. Once established, a charitable gift annuity cannot be increased, decreased, or have its designation changed. Charitable gift annuities and charitable trusts will be booked under the recommended CASE/NACUBO guidelines. For charitable gift annuities and for charitable trust to be held and managed by the Foundation, the amount paid to the donors cannot be higher than the recommended rate for as determined by the Committee on Annuities, unless specifically approved by the Finance Committee of the Oregon Tech Foundation.

#### C. Bequests

Irrevocable bequests may be booked as of the date the documentation is formalized. Documented bequest intents (i.e., those that are changeable) will be cited in any planned giving reports; undocumented bequest intents will be footnoted. To document a bequest, a copy of the will or a letter signed by the donor or the donor's attorney is necessary. When the bequest is realized, the donor will be recognized at the total amount realized.

#### D. Charitable Lead Trusts

For both charitable lead unitrusts and annuity trusts that extend beyond five years, the Foundation will book the first payment as a current gift and the pledges up to five years at full value. Payment amounts beyond the first five years will be reported as a pledge at present value.

#### E. Life Insurance Gifts

Insurance policies naming the Oregon Tech Foundation as a beneficiary will be listed at the death benefit value as a bequest intent on planned giving reports. The



donor must provide written documentation (a copy of the policy or a written letter of intent). The gift will be credited when the death benefit is realized.

Irrevocable insurance policies naming the Foundation as a beneficiary will be recorded as a gift of insurance valued at the death benefit, and will be listed at both the face value and the discounted present value on planned giving reports.

For reporting purposes the Foundation will record the gift of paid in full life insurance policies at both the death benefit value and the discounted present value on its planned giving reports. For recording purposes, the Foundation will credit the gift at the discounted present value. For the donor to receive gift credit, the Foundation must be made the owner and the irrevocable beneficiary of a paid in full life insurance policy.

Gifts of existing insurance policies not yet paid in full will be recorded on the monthly planned giving report at both the face value and the discounted present value. The gift will be booked and the donor recognized at both the existing cash surrender value and a pledge for the remaining payments. For the donor to receive gift credit, the Foundation must be the owner and the beneficiary of the policy.

At the time of the death of the person upon whom a policy has been purchased, the insurance company's settlement amount for an insurance policy will be booked as a cash gift and will eliminate any pledges previously recorded.

#### F. Retained Life Estate Gifts

The retained estate gift will be reviewed by the Executive Director to determine whether or not the gift will be accepted by the Foundation in accordance with the Non-Cash Gifts Policy.

The property will be reviewed for environmental hazard consideration prior to acceptance.

The donor will provide a qualified appraisal.

The donor will pay all maintenance costs and property taxes.

As a general rule, there should be no mortgage on the property. This applies even if the donor agrees to provide all mortgage payments, interests, etc., after the gift is made. If there is a mortgage on the property, it should be suggested to the donor to prepay the mortgage and then make the gift or provide endowment sufficient to cover the mortgage costs.

The property should have a value in excess of \$100,000 before being considered for acceptance by the Foundation. Exceptions to this threshold are:

1. If a buyer for the property could be identified other than through the prospective donor before the gift is accepted.
2. If the property donated is contiguous to some other property that the Foundation or Institute owns.
3. If the donor agrees to cover all expenses, taxes and upkeep of the property, until it is sold.
4. If the property is being donated by the donor who has previously given the university large donations (\$500,000 or more).
5. If the Institute can make research, teaching or service use on the property.

Retained estate gifts will be recorded in planned giving reports at both their face value and remainder values recognized by the IRS.

#### G. Non-Cash Gifts

Non-cash gifts may be accepted pursuant to the procedures established in the Non-Cash Gifts Policy.

## VI. Cultivation and Solicitation of Gifts

All representatives, volunteers and friends of the Oregon Tech Foundation are encouraged to discuss annual fund, planned giving, special project and endowment opportunities with donors and other individuals, corporations, and foundations that have an interest in contributing. However, any formal solicitations can only be made by authorized representatives and staff, or to others who have received express permission for that solicitation.

### Guidelines

#### A. Adherence to Laws

No representative or staff member will accept any gift that violates Internal Revenue code requirements or any other federal or state laws.

#### B. Tax-exempt Status

The Oregon Tech Foundation shall not accept any gift that would improperly inure to the benefit of any individual or in a manner that would jeopardize the tax-exempt status of the Oregon Tech Foundation.

C. Authority

Any agreement involving a legal obligation on the part of the Oregon Tech Foundation requires approval of its board.

D. Pressure Techniques

Representative and staff will exercise all caution to avoid pressure or undue persuasion when dealing with prospective donors. The role of a representative is to inform, advise the donor about making a gift or fulfilling any charitable obligations.

E. Legal Advice

Prospective donors shall be advised to consult their attorney in all matters related to deferred gift instruments, such as wills and trusts. If a representative of the Oregon Tech Foundation makes a referral to any attorney, it shall be understood the attorney is retained to represent the donor-client's interest. The donor shall be advised to consult with his or her own attorney or accountant on matters related to tax implications and estate-planning aspects of any planned or deferred gift before completion of final agreements.

F. Forms and Agreements

Oregon Tech Foundation staff or counsel may provide suggested language for bequest, trust or other gift documents, subject to review or utilization by the donor's own counsel. Legal counsel shall be utilized to review or prepare appropriate formal and legal documents.

G. Conflict of Interest

The interest of the donor shall come before that of the Oregon Tech Foundation. No program, agreement, trust, contract, or commitment shall be urged upon any donor or prospective donor that would benefit the Oregon Tech Foundation at the expense of the donor's interest or welfare. No agreement shall be made between the Oregon Tech Foundation and any agency, person, company, or organization on any matter related to investment, management, or otherwise which would knowingly jeopardize the donor's interest. Oregon Tech Foundation representatives (trustees, administration or staff) shall not enter into any transaction that could form the basis of a conflict of interest.

**VII. Gift Planning Compensation Rules**

The Oregon Tech Foundation involves numerous volunteers, staff members and professionals within the community. All authorized representatives of the Oregon Tech Foundation shall exemplify the highest standards of personal and professional conduct. Paid staff and volunteers shall not grant or accept favors for personal gain.

A. Finders Fees and Commission

The Oregon Tech Foundation does not pay a “finder’s fee” or a commission percentage or other “special compensation” to any parties for the sale of planned gifts. The Oregon Tech Foundation does not pay its employees involved in the soliciting of planned gifts a fee based on the amount of funds contributed to the organization.

B. Professional Fees

Where the Oregon Tech Foundation seeks tax, legal, estate planning or investment counsel in regard to gift planning proposals, document preparation, appraisals, and the actual completion of gift agreements with existing Oregon Tech Foundation donors, such contract will be on a full-disclosure basis with fees for professional service discussed in advance of the actual gift planning sessions. Since the Oregon Tech Foundation is the client, the Oregon Tech Foundation will make all decision regarding professional assistance and third party interests in the various proposals and gift planning agreements. It is expected that all fees paid by the Oregon Tech Foundation, or potential costs to the donor in connection with the gift agreements under consideration, will be fully disclosed and understood to both the Oregon Tech Foundation and the prospective donor.

C. Gifts Brought to the Oregon Tech Foundation by Financial Professionals

The Oregon Tech Foundation will not knowingly enter into a gift contract with an individual where the Foundation’s tax-exempt status or community reputation will be tarnished.

Professional planners bearing gifts must realize that full disclosure of all fees and costs to the Oregon Tech Foundation and their particular donor/client are essential to the completion of the gift. The Oregon Tech Foundation will honor any client relationship already established by a financial professional who brings a gift to the Oregon Tech Foundation. Those directly involved with gifts will maintain confidentiality and will maintain other client-professional concerns where such information is shared with the Oregon Tech Foundation.



**Oregon Tech Foundation**  
**Administrative Gift Fee:**  
**Policy, Procedures, Exemptions, Examples, and Frequently Asked Questions**  
Approved: January 26, 2013, Amended and Approved: January 30, 2015

## **Policy**

Gift and other administrative fees are assessed by Oregon Tech Foundation (OTF) to help defray the costs of gift administration. The assessed fee helps provide stewardship, gift acknowledgement, database maintenance, staff development support, donor relations, and other development operation expenses.

1. The “administrative/gift fee” is 5% of the contribution/donation.
2. A maximum administrative gift fee of \$25,000 will be charged for any one gift. This includes gifts with multiple payments over a period of time. This does not have a cumulative effect over multiple different gifts.
3. The administrative/gift fee will be assessed at the time of the gift. Any deferred or planned gift will be assessed the fee when the gift is realized, not when the gift is pledged.

## **Procedures**

Upon receipt of a gift, the Foundation will apply a one-time administrative/gift fee paid from the gift monies. For non-cash gifts, the fee is paid from net proceeds and calculated on the net proceeds amount. Fees are calculated per gift.

Executive Note: Oregon Tech Foundation Executive Director will have discretion to adjust administrative/gift fee for special contributions, subject to consultation and guidance of the Oregon Tech Foundation Board of Directors. Organizations, such as foundations, that do not routinely pay administrative fees are automatically exempt from this policy.

## **Gifts Exempt from the Gift Fee**

1. Endowment earnings
2. Interest earnings
3. Contracts
4. Gifts of artwork
5. Gifts of life insurance premium payments

## Examples of Administrative/Gift Fee

1. A donor starts an endowed scholarship for the benefit of Oregon Tech students. The donor gifts \$50,000.00 cash to start the endowment. \$2500.00 will be deducted from the total at the time Oregon Tech Foundation received the donation.

The donor may choose to designate a portion of the gift monies to pay for the gift fee. The donor gives \$52,500.00 and \$50,000.00 is designated for the endowment and \$2500.00 for the administrative/gift fee.

2. A donor sets up a \$10,000.00 department endowment. \$9500.00 goes to the endowment and \$500.00 toward the administrative/gift fee.

The donor may choose to designate a portion of the gift monies to pay for the gift fee. The donor gives \$10,500.00 and \$10,000.00 goes to the endowment and \$500.00 toward the administrative/gift fee.

3. An Oregon Tech fan donates \$500.00 toward the travel fund. \$475.00 goes into the travel fund account. \$25.00 is assessed as an administrative/gift fee.
4. A donor gifts \$20,000.00 in appreciated stock to be applied to Wilsonville capital needs. Oregon Tech Foundation will follow its policies for handling appreciated stock and 5% of the net proceeds will go toward the administrative/gift fee. If the net proceeds are \$20,560.00, the administrative/gift fee will be \$1028.00 and the restricted gift to Wilsonville will be \$19,532.00.

## Frequently Asked Questions

1. **WHY DOES OREGON TECH FOUNDATION HAVE AN ADMINISTRATIVE/GIFT FEE?** The administrative/gift fee allows Oregon Tech Foundation to reduce its reliance on direct funding for its operations from Oregon Tech, thus freeing University funds for education, research and community service programs. Administrative/gift fee revenue is directly related to the Oregon Tech Foundation cost of doing business. The Oregon Tech Foundation is committed to a development effort that will provide private support to Oregon Tech. The benefits of private support to Oregon Tech academics have been evident in the past years. In order to recover a portion of the increasing costs of raising funds and administering those funds an administrative/gift fee is assessed.
2. **HOW ARE OPERATIONS OF THE OREGON TECH FOUNDATION FUNDED?** Foundation operations are funded through a combination of revenue including a portion of unrestricted gifts, endowment management fees, quasi-endowment established from a planned gift, an administrative/gift fee, and direct support from Oregon Tech.

- 3. DO OTHER UNIVERSITIES CHARGE ADMINISTRATIVE/GIFT FEES? IN OREGON? NATIONALLY?** Approximately 80% of university foundations throughout the country administer an administrative/gift fee. University of Oregon Foundation, Portland State Foundation and Oregon State University Foundation currently charge 5%. Southern Oregon Foundation charges 3%. We are a relatively new university foundation with a comparatively small endowment and thus endowment administrative fees only partially cover our costs of doing business. However, even older foundations with much larger endowments frequently charge administrative/gift fees. For example, the University of Connecticut Foundation with an endowment of over \$250 million, charges gift fees ranging from 3-5%.
- 4. THE LOCAL NON-PROFIT ORGANIZATIONS I SUPPORT DON'T CHARGE ADMINISTRATIVE/GIFT FEES. WHAT'S THE DIFFERENCE?** The difference is primarily one of terminology. All community organizations have operating costs. In general, revenue from contributions helps in part to support them, whether or not a formal gift fee is identified.
- 5. HOW OFTEN DOES THE ADMINISTRATIVE/GIFT FEE CHANGE?** The Oregon Tech Foundation reviews the administrative/gift fee on an annual basis.
- 6. CAN THE GIFT FEE BE WAIVED?** The Oregon Tech Foundation Development staff has the discretion to adjust or waive the fee with consultation from the Oregon Tech Foundation Board of Directors. An example may be when a private foundation has a written policy stating it will not pay gift fees.
- 7. DOES THE OREGON TECH FOUNDATION CHARGE OTHER FEES?** Like the vast majority of other foundations, the Oregon Tech Foundation charges an annual fee to manage endowed funds that are invested in perpetuity. Because we want to maximize our endowment's growth over time, we keep this annual management fee to a minimum, currently 1% of the market value of the endowment.



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### **Board Member Giving, Working Definition**

Higher education board members have long carried the responsibility to be donors to the schools they lead. Most schools track the giving of their board members as a discrete constituency to help the board measure its effectiveness, and to underscore the seriousness of the board members' personal responsibilities to provide support.

Many board members have influence beyond their own personal checkbooks, and typically the measure of board giving encompasses those entities that the board member influences, or even directs, to give. In an effort to help the Oregon Tech Foundation consistently measure board giving, and thus the spheres of influence of its board members, these guidelines have been developed:

We include gifts from entities that a trustee has direct influence on, such as a business s/he owns, a foundation upon whose board s/he sits, or matching gifts from companies matching his or her personal gifts. Examples would include:

- Gifts from spouses, or those company, corporate, or foundation entities the spouse has direct influence on.

- A gift from a proprietorship that the board member has ownership interest in

- A foundation if the board member gets to cast a vote for distributions to OIT.

- Matching gifts which come to us because of personal gifts the board member or his or her spouse has made to the Oregon Tech Foundation.

- Companies or company foundation gifts, on which the board member (or his or her spouse) is an officer of the company or votes on distributions by the company foundation

Things these would not include:

- Gifts from companies in which the board member/employee has had no influence on the company for making those gifts

- Gifts from foundations such as the Kellogg Foundation, because if any of our board members ever served on the KF board, they would have to withdraw from voting as a conflict of interest

- Gifts from service clubs, as multiple board members belong, and direct influence is not possible to measure

- Gifts made by others that have been solicited by a board member





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**Oregon Tech Foundation  
Gifts of Non-Cash Items**

Approved: May 31, 2002

## **PURPOSE**

To provide a systematic means for recommending acceptance and gift value of non-cash items to the Oregon Tech Foundation.

## **DEFINITIONS**

Gifts-in-Kind: Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, automobiles, inventory, personal property, securities, other physical assets, material or services which represent value to the college. For purposes of this policy, all reference to gifts-in-kind specifically excludes publicly traded securities.

Out-of-Pocket Expenses: Payments made by a donor to a vendor for material or services utilized in behalf of OIT. For example, the expenses incurred by a donor sponsoring a dinner party to promote the college, is such a gift.

University Experts: An OIT employee with sufficient knowledge of property proposed for donation to determine the feasibility and desirability of accepting a gift for use, display or resale and capable of estimating value for college purposes only.

Closely Held Corporation: For purposes of the appraisal requirements, a closely held corporation is any corporation (other than a "S" corporation) that meets a stock-ownership test used elsewhere in the tax code to define a personal holding company. Thus, if at any time during the last half of a corporation's tax year, more than 50% in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals, the corporation is a closely held corporation and is subject to the appraisal requirements.<sup>1</sup>

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<sup>1</sup> Arthur Andersen, *Tax Economics of Charitable Giving* (13<sup>th</sup> edition), p. 51.

**Qualified Appraisal:** An appraisal document that relates to an appraisal made not earlier than 60 days before the date of contribution nor later than the due date (including extensions) of the return on which a deduction for the contribution is claimed.<sup>2</sup> It must contain:

- A description of the property in sufficient detail for a person who is not generally familiar with the type of property to ascertain that the appraised property is the same property that was (or will be) contributed.
- In the case of tangible property, the physical condition of the property.
- The terms of any agreement or understanding, entered into (or expected to be entered into) by or on behalf of the donor or donee, which relates to the use, sale or other disposition of the property contributed, including, for example, the terms of any agreement or understanding that:
  - Restricts temporarily or permanently the donee's right to use or dispose of the donated property.
  - Reserves to or confers upon anyone (other than the donee organization or an organization participating with the donee organization in cooperative fundraising) any right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise or to designate the person having such income, possession or right to acquire, or
  - Earmarks donated property for a particular use.
- The name, address, and taxpayer identification number of the qualified appraiser and, if the qualified appraiser is a partner in a partnership, an employee of any person (whether an individual, corporation or partnership) or an independent contractor engaged by a person other than the donor, the name, address and taxpayer identification number of the partnership or the person who employs or engages the qualified appraiser.
- The qualifications of the qualified appraiser who signs the appraisal, including the appraiser's background, experience, education and membership in any professional appraisal associations.
- A statement that the appraisal was prepared for income tax purposes.
- The date (or dates) on which the property was appraised.
- The appraised fair market value of the property on the date (or expected date) of contribution.

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<sup>2</sup> Ibid., p. 52.

- The method of valuation used to determine the fair market value, such as the income approach, the market-data approach or the replacement-cost-less-depreciation approach.
- The specific basis for the valuation, such as specific comparable sales transactions or statistical sampling, including a justification for using sampling and an explanation of the sampling procedure employed.<sup>3</sup>

Qualified Appraiser: A qualified appraiser is an individual who includes in an appraisal summary a declaration that:

- The individual holds him or herself out to the public as an appraiser or performs appraisals on a regular basis.
- Because of the appraiser's qualifications as described in the appraisal, the appraiser is qualified to make appraisals of the type of property being valued.
- The appraiser understands that an intentionally false or fraudulent overstatement of the value of the property described in the qualified appraisal or appraisal summary may subject the appraiser to a civil penalty for aiding and abetting an understatement of tax liability, and, moreover, the appraiser may have appraisals disregarded for tax purposes.
- The following persons cannot be qualified appraisers with respect to particular property:
  - The donor or the taxpayer who claims or reports a deduction for the contribution of the property that is being appraised.
  - A party to the transaction in which the donor acquired the property being appraised (i.e., the person who sold, exchanged or gave the property to the donor or any person who acted as an agent for the transferor or for the donor with respect to such sale, exchange or gift), unless the property is donated within two months of the date of acquisition and its appraised value does not exceed its acquisition price.
  - The donee of the property.
  - Any person employed by any of the foregoing persons (e.g., if the donor acquired a painting from an art dealer, neither the art dealer nor persons employed by the dealer can be qualified appraisers with respect to that painting).
  - Any person related to any of the foregoing persons under certain attribution rules or married to a person who is related to any of the foregoing persons under such attribution rules.

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<sup>3</sup> Arthur Andersen, pp. 52-53.

- An appraiser who is regularly used by the donor, by a party to the transaction in which the donor acquired the property being appraised or by the donee, and who does not perform a majority of his or her appraisals made during his or her tax year for other persons.<sup>4</sup>

Appraisal Summary: An appraisal summary is a summary of a qualified appraisal that:

- Is made on the form prescribed by IRS (Form 8283, Noncash Charitable Contributions).
- Is signed and dated by the donee.
- Is signed and dated by the qualified appraiser who prepared the qualified appraisal.
- Includes:
  - The name and taxpayer identification number of the donor.
  - A description of the property in sufficient detail for a person who is not generally familiar with the type of property to ascertain that the property that was appraised is the property that was contributed.
  - In the case of tangible property, a brief summary of the overall physical condition of the property at the time of the contribution.
  - The manner of acquisition (e.g., purchase, exchange, gift or bequest) and the date of acquisition of the property by the donor, or, if the property was created, produced or manufactured by or for the donor, a statement to that effect and the approximate date the property was substantially completed.
  - The cost or other basis of the property.
  - The name, address and taxpayer identification number of the donee.
  - The date the donee received the property.
  - A statement explaining whether or not the charitable contribution was made by means of a bargains sale and the amount of any consideration received from the donee for the contribution.
  - The name, address and taxpayer identification number of the qualified appraiser who signs the appraisal summary and of other persons as required (i.e., of any

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<sup>4</sup> Ibid., p. 53.

partnership of which the appraiser is a partner or of any partnership, corporation or person of which the appraiser is an employee or independent contractor).

- The appraised fair market value of the property on the date of contribution.
- The declaration required to be included in a qualified appraisal by a qualified appraiser.
- A declaration by the appraiser stating that:
  - The fee charged for the appraisal is not of a type prohibited (The regulations provide that no part of a fee arrangement between a donor and a qualified appraiser for a qualified appraisal generally may be based, in effect, on a percentage of the appraised value of the property.) and
  - Appraisals prepared by the appraiser are not being disregarded for tax purposes on the date the appraisal summary is signed by the appraiser.
  - Such other information as may be specified by the form.<sup>5</sup>

Qualified Research Contributions: Under this exception, a corporation (but not S corporations, personal holding companies or service organizations) is allowed a greater-than-cost deduction for contributions of inventory for educational or scientific research purposes. In this case, the contribution deduction is limited to cost plus 50% of appreciation, and further limited to twice the cost of the property.<sup>6</sup>

A special rule applies to contributions of certain inventory property in determining whether the \$5,000 threshold has been met for “qualified contributions.” It is only the claimed deduction in excess of the property’s tax basis that is taken into account in determining whether the contribution exceeds the \$5,000 threshold.<sup>7</sup>

Services: This term includes professional or personal services or time which are freely given and which can easily be valued by their usual market cost. Gifts of service are recognized by the college but are generally not recognized by the IRS as being tax deductible. Examples of gifts of services are the donation of broadcast time by a radio station or legal services by an attorney.

Limited Use of Private Property: The right to rent-free use of a home, office, piece of equipment or commercial property owned by a donor for a specific event for a period of time. Such gifts are recognized by the college but are generally not recognized by the IRS as being tax deductible. Examples include the rent-free use of office space, or the rent-free use of a vacation home to host a college event.

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<sup>5</sup> Arthur Andersen, pp. 54, 56.

<sup>6</sup> Ibid., p. 30.

<sup>7</sup> Arthur Andersen, p. 52.

**Bargain Sale:** The sale of appreciated property to the Oregon Tech Foundation for less than present fair market value with the intent to make a gift of the difference.

**Gift Review Committee (GRC):** Vice President for Institutional Advancement/ Executive Director of the Oregon Tech Foundation (VP/EDOTF), Vice President for Finance and Administration, and Dean, School of Health, Arts, and Sciences

## **POLICY**

The Gift Review Committee is responsible for making recommendations to the Oregon Tech Foundation on accepting proposed gifts-in-kind. The GRC may, at its discretion, include other Foundation experts to help make its determination as to whether or not to recommend acceptance.

All proposed gifts-in-kind with an apparent value of \$5,000 or more are presented to the GRC. Determinations on all gifts of service, gifts of out-of-pocket expenses and gifts-in-kind with an apparent value of less than \$5,000 are made by the Vice President for Institutional Advancement/Executive Director of the Oregon Tech Foundation.

Individual, partnership, closely held corporate, personal service corporate, “S” corporate donors are required to provide the Foundation with independent, qualified appraisals for proposed gifts-in-kind with an apparent value of \$5,000 or more. The exceptions to this policy are: (1) closely-held stock that must be appraised before consideration by the GRC only if the apparent value is at least \$5,000 or more. The exceptions to this policy are: (1) closely held stock which must be appraised before consideration by the GRC only if the apparent value is at least \$10,000, (2) gifts of service, (3) gifts of out-of-pocket expenses, and (4) limited use of private property. In cases where an appraisal is required, but not submitted, and the gift is accepted, the value of the gift for recognition purposes will be \$1.00 or the Foundation’s selling price. In cases where the apparent value is less than \$5,000 or the donor is a corporation, foundation or an association, the donor may be required at the Foundation’s discretion to submit an appraisal.

It will be the practice of the Oregon Tech Foundation to accept qualified research contributions under the existing IRS guidelines, to place value on them under the established CASE/NACUBO guidelines, and to treat other C corporation gifts-in-kind in the same manner as gifts from other kinds of donors: in cases where value can only properly be determined by an appraisal, but in an instance where no appraisal is submitted and the gift is accepted, the value of the gift for recognition purposes will be \$1.00 or the Foundation’s selling price.<sup>8</sup> For new equipment and

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<sup>8</sup> “C” corporate donors are not presently subject to the appraisal requirements. However, a C corporation is required to attach to its tax return an appraisal summary for contributions of property for which a deduction in excess of \$5,000 is claimed [Proposed regulations would subject all taxpayers (including C corporations) to the appraisal requirements. IRS has announced, however, that when those regulations are made final, they will waive the appraisal requirements for contributions by C corporations of “qualified research contributions” . . . . It has also announced that those regulations will waive the appraisal requirements for

software, the Oregon Tech Foundation shall report the educational discount value—that is, the value OIT would have paid had it purchased the item outright from the vendor.

Foundation compliance with IRS regulations concerning the sale of donated assets is based in the Finance and Administration Office. Personnel in the Institutional Advancement Office provide general information on tax deductibility and IRS appraisal requirements of donated gifts-in-kind to potential donors. Donors are also advised to contact their personal financial advisors, tax attorneys, or accountants for counsel.

The Foundation does not act as an appraiser of gifts-in-kind. The donor, not the Foundation, has the responsibility of substantiating the value of donated property with the IRS. Therefore, no values for gifts-in-kind except for publicly traded securities shall appear in acknowledgment letters.

Signature of a Foundation representative on required IRS forms that acknowledge receipt of a property is not a concurrence in fair market value. Values are recorded for accounting and donor recognition purposes only.

The Foundation reserves the right to determine the sale of any gift-in-kind of which it wants to divest. Disposition is made without regard to donor appraisal, and the Foundation assumes no responsibility for any variance between appraised value and the amount obtained from the sale.

It is the intent of the Foundation not to be owner of any equipment or inventory donated, but only to serve as the vehicle for receiving such donations. The Foundation intends for all equipment and inventory donations to become the property of the Oregon Institute of Technology upon receipt. The Foundation delegates the authority to make such transfer of ownership to the VP/IA/EDOTF.

Contribution credit for out-of-pocket expenses can only be given in accordance with Oregon Tech Foundation policies and if the donor submits receipts or check copies clearly indicating the vendor name and the service or material purchased, and receipts indicating acceptance of final products or services resulting from the expenditure. Donor recognition for donations of out-of-pocket expenses and limited use of private property are awarded upon approval of the VP/IA/EDOTF or the President (VP/IA/EDOTF).

Contribution credit for services can only be given if the donor submits a record of such services verified by the VP/IA/EDOTF or his designee, and the verification that the rate at which the credit is granted is within community standards of usual and customary charges for such services. Donor recognition for donation of services is awarded upon approval of the Vice President for Institutional Advancement/Executive Director of the Oregon Tech Foundation.

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*contributions by closely held corporations and personal service corporations of “qualified contributions.”*

## PROCEDURE

- A. Individuals who are contemplating donations of gifts-in-kind are advised by appropriate institutional advancement officers of Foundation policies in regard to the internal process, appraisal requirements, and policies in regard to disposition of gifts held for sale. General information on tax deductibility and IRS valuation requirements of various gifts-in-kind is available from the office of Institutional Advancement. The Oregon Tech Foundation accepts no liability for tax advice. For specific legal and financial advice, donors are referred to their tax attorneys and professional financial counselors.
- B. To present any gift-in-kind, gift of service, or gift of out-of-pocket expense for acceptance, except real estate or artwork, Form A-1 (Gift-in-Kind Review Form) is prepared, signed by a professional staff member and sent to the Program Manager in Institutional Advancement. If the apparent value is \$5,000 (\$10,000 if closely-held stock) or more and from an individual donor, the appraisal must be attached.

The Program Manager in Institutional Advancement assures that materials are complete and sends them to the VP/EDOTF and/or the GRC.

- C. The Institutional Advancement Office is notified of gifts-in-kind with apparent values of \$4,999 or less by sending a copy of the acknowledgment letter generated by the unit to the Program Manager in Institutional Advancement along with a completed Form A-1.
- D. To propose a gift of real estate, Form A-2, Gift-in-Kind Review Form for Gifts of Real Estate, is prepared and sent to the Program Manager in Institutional Advancement. When materials are in order, the Program Manager in Institutional Advancement sends them to the VP/EDOTF and/or the GRC.
- E. At the request of the donor, Section B, part I of IRS Form 8283 will be signed by the VP/EDOTF. The donor should complete his/her name, tax identification number and description of the donated property before submitting the form for a Foundation signature. The form should be sent to the Program Manager in Institutional Advancement. Only the President, Vice President for Finance and Administration, or the VP/EDOTF are authorized to sign the form for the Foundation.

A copy of each completed Form 8283 is sent to the Vice President for Finance and Administration's office if the property donated is held for sale.

- F. Prior to sale of a gift-in-kind, the Office of Finance and Administration notifies the VP/EDOTF that the gift is about to be sold. Presidential approval is required for items valued at \$10,000 or more.
- G. Immediately after a sale of property sold within two years of its receipt as a gift, the Office of Finance and Administration submits all information required on IRS Form 8282



to the Program Manager in Institutional Advancement submits all information required on IRS Form 8282 and sends it to the IRS with a copy sent to the donor.

- H. Information regarding independent, qualified appraisers may be obtained through the Program Manager in Institutional Advancement and may be provided upon request of the donor.
- I. In cases where the apparent gift value is below \$5,000 or the gift is from a corporation or foundation, valuations for financial records and for donor recognition purposes may be prepared by the Foundation or from equipment price listings.
- J. Proposed gifts of privately held stock are submitted on Form A-1. If the apparent value is over \$10,000 and the donor is an individual, a qualified appraisal provided by the donor must be attached.
- K. All transactions concerning equipment to be capitalized (not held for sale) are sent to the Office of Finance and Administration.
- L. Copies of documentation regarding contribution credit for out-of-pocket expenses or services and for limited use of private property are forwarded to the Program Manager in Institutional Advancement for review and processing.

## **GUIDELINES FOR GIFTS OF REAL ESTATE**

1. As a general rule, real property should have a fair market value of at least \$100,000 before being considered for acceptance by the Foundation. However, the exceptions to this policy are:
  - a. If a buyer for the property could be identified other than through the prospective donor before the gift is accepted.
  - b. If the property being donated is contiguous to some other property that OIT or the Foundation already owns, thus increasing the chances for sale.
  - c. If the donor agrees to cover all expenses, taxes, and upkeep of the property until it is sold by the Foundation.
  - d. If the property is being donated by a donor who has previously given the Foundation large donations (\$500,000 or more).
  - e. If the college can make research, teaching, or service use of the property.
2. As a general rule, there should be no mortgage on the property. This applies even if the donor agrees to provide all mortgage payments, interests, etc., after the gift is made. If there is a mortgage on the property, it should be suggested to the donor to prepay the mortgage and then make the gift or provide endowment sufficient to cover the mortgage costs.

3. The donor should agree to cover taxes, assessments, and maintenance fees until the property is sold. However, if the property is valued over \$100,000, the prorating of these obligations between the donor and Foundation is to be negotiated.
4. If there are tax ramifications for the donor as a result of a proposed gift of property, the Institutional Advancement Office should review them with the prospective donor's tax advisor so that the advisor may incorporate this information in his or her work product.
5. The Office of Finance and Administration should be kept abreast of discussions regarding gifts of real property.
6. The Office of Finance and Administration will review properties for environmental hazard consideration prior to acceptance. The expectation will be for the donor to produce a Phase I environmental site assessment.
7. All gifts of real property should be accompanied by a title commitment or updated abstract certification.
8. Gifts of real property should preferably be made by limited warranty deed. A quitclaim deed or a special warranty deed will only be acceptable in certain carefully considered situations.
9. The donor must provide a qualified appraisal from a qualified appraiser and an appraisal summary.
10. In the case of a bargain sale, the appraiser should be one designated by the Office of Finance and Administration.

## **GUIDELINES FOR EQUIPMENT DONATIONS**

(Equipment not held for sale)

1. A college expert should review the equipment in relation to the needs of the college.
2. If the equipment is being tied into the college utility services, the compatibility with the college's systems should be verified. Electrical services, drains and the facility's cooling or heating capacity should be reviewed.
3. The energy consumption record of the proposed equipment donation should be reviewed.
4. An engineering analysis may be necessary to insure that the structural integrity of the facility is not endangered by the installation. Space needed for the equipment such as floor loading, ceiling height and door width should be reviewed.
5. A maintenance endowment is recommended.



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### **Endowment Policy**

Approved: May 31, 2002, Revised and Approved: January 30, 2015

The Oregon Tech Foundation welcomes and accepts gifts to establish separate endowment funds under the following conditions:

- An endowment may be established with no less than a minimum of \$10,000.
- Signed pledges will be accepted to establish an endowment, if:
  - The pledge runs no more than five years in length and
  - The amount pledged is equal to or greater than the minimum to establish an endowment in the year the pledge originates.
- No payouts shall be made from an endowment at least until:
  - Its corpus size passes the endowment threshold established by the Oregon Tech Foundation and
  - The corpus has been in the active investment pool of the Foundation for at least one year.
- The amount needed to establish non-scholarship endowments, such as chairs or professorships, shall be established at the discretion of the Oregon Tech Foundation.
- Qualifying endowments may be named and restricted at the direction of the donor and at the discretion of the Oregon Tech Foundation. The understanding between the donor and the Oregon Tech Foundation will be spelled out in a written agreement signed by the donor(s) and the Foundation.
- All moneys received for an endowment become the absolute property of the Oregon Tech Foundation. The Foundation's pooled investments are managed at the sole discretion of the Foundation's Board of Directors, which establishes investment and payout policies and sets annual endowment administrative fees.

Examples:

- In Academic Year 2001-2002 a full year of tuition and fees totals \$3,645. One-fourth of \$3,645 is \$911, which when rounded up to the nearest \$500 level is \$1,000. Under the Investment Policy of the Oregon Tech Foundation, an endowment pays-out 5% (of a three year rolling average) of an endowment's value. Therefore, to produce \$1,000/year, a minimum endowment amount of \$20,000 would be needed.
- If in Academic Year 2002-2003 a full year of tuition and fees totals \$4,215. One fourth of \$4,215 is \$1,054, which when rounded up to the nearest \$500 level is \$1,500. Under the Investment Policy of the Oregon Tech Foundation, an endowment pays-out 5% (of a three year rolling average) of an endowment's value. Therefore, to produce \$1,500/year, a minimum endowment amount of \$30,000 would be needed.
- If in Academic Year 2002-2003, the Oregon Tech Foundation revises its Investment Policy and alters the payout rate to 4% (of a three year rolling average) of an endowment's value. Therefore, a minimum endowment amount (assuming tuition and fees as in the paragraph above) would then rise to \$37,500.
- If in Academic Year 2001-2002, and using the information in the first example paragraph above, John and Priscilla Smith make a five-year pledge of \$20,000 and make a gift of \$4,000 as a first payment on the pledge. The remaining pledge is to be paid over four more years, at \$4,000 per year.

On the basis of the signed pledge, the John and Priscilla Smith Scholarship Endowment is established. No awards are made from the endowment until the corpus grows past \$20,000 in value.

The scholarship is honored and maintained even though in Academic Year 2002-2003 the price of tuition and fees goes to \$4,215, which would then require a \$30,000 minimum contribution.

The scholarship is also honored and maintained when later in the year the Investment Policy revision lowers the payout rate. Although the payout will be lowered to fit the policy, the \$20,000 threshold established with the donor at the time of the pledge will be honored.



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**Oregon Tech Foundation  
Annual Fund**  
*DRAFT, 2011 – FOR CONSIDERATION*

### **GIFTS THAT COUNT**

To determine if a gift counts toward the Annual Fund, each of the following criteria must be met:

1. **The gift is spendable.** All gifts of cash, annual income from lead trusts, stock, securities, and in-kind donations, regardless of size, that are non-endowment and/or not for capital projects and can be spent or used in the year donated.
2. **The gift is repeatable.** The donor has the ability and the potential to repeat the gift year after year.

**Example:** Donor “A” may make a gift of \$25,000 year after year, so their gift would count toward annual giving totals. However, Donor “B” also made a gift of \$25,000, but they do not have the capacity to repeat the gift next year, therefore we will not count their gift in the Annual Fund. This avoids the problem of falsely raising expectations for next year’s fund and undermining the very premise of annual giving.

### **GIFTS THAT DO NOT COUNT**

To determine which gifts do not count toward the Annual Campaign, each of the following criteria must be considered:

1. **The gift is restricted for endowment.** This includes annual donation to endowed scholarships or other endowed funds, where the gift is going toward principal and is not spendable.  
**Example:** Donor “A” makes an annual \$1,000 donation to their endowed scholarship; therefore the gift is not spendable and does not count toward the Annual Fund. However, Donor “B” makes a \$1,000 gift toward the Alumni Scholarship Fund; therefore the gift is spendable (because the scholarship is annual) and counts toward the Annual Fund.
2. **The gift is a bequest or estate gift.** Even if they are unrestricted, these types of gifts are not repeatable.
3. **The gift is real estate.** Gifts of real estate are generally not repeatable.
4. **The gift is for capital projects.** This includes all gift that are made to “bricks and mortar,” such a new facility, construction costs, or naming of a facility.

## **THE ANNUAL FUND AND A COMPREHENSIVE CAMPAIGN**

Typically, most institutions count all gifts toward the comprehensive campaign goal, including Annual Fund gifts. Therefore, it is our policy that gifts will count toward both a campaign goal and the Annual Fund goal when all of the above criteria are satisfied.

11/17/2006



*Building a Great University:  
The Oregon Institute of Technology*

### **Donor Advised Fund Policy**

**Approved: Jan 20, 2017**

On September 20, 2016, the Oregon Institute of Technology Foundation Board approved establishing a Donor Advised Fund with a policy regarding the same to be developed by the Finance Committee and approved by the Board.

The purpose of a Donor Advised Fund (DAF) is for Oregon Tech to accept a gift pursuant to an agreement between Oregon Tech and a particular donor that requires Oregon Tech to consult with and seek the advice of the donor before making distributions of income or principal from the fund.

A particular donor may be interested in a DAF when one or more of the following factors are present: (i) an upcoming event or market situation makes a charitable gift beneficial at a particular time; (ii) the donor would like to make a gift to the school as well as a gift or gifts to other charities; (iii) the donor would like to give a complex asset and have the asset handled and disposed of by the school; and (iv) the donor would like to take advantage of beneficial tax rules for gifts to public charities.

- 1) A donor who wishes to establish a DAF would make a gift directly to OIT.
  - a) Name of the Particular Fund: The donor may establish the name of the particular DAF (for example, the "Bob Smith Donor Advised Fund")
  - b) Donor(s) are solely liable for and responsible for the consequences of their compliance and dealings with the Internal Revenue Service and are encouraged to obtain their own legal and accounting counsel.
- 2) Minimum Amount by Type of Gift
  - a) Real property: The minimum value/amount of a gift of real property must be \$350,000.
  - b) Stocks and/or bonds: The minimum value/amount of a gift of stocks and/or bonds must be \$250,000.
  - c) Cash: The minimum value/amount of a gift of cash must be \$150,000.
- 3) Disposition of the Gift
  - a) Oregon Tech will liquidate a gift of real property or stocks/bonds as soon as possible after receipt of such gift(s).
  - b) Beginning balance of the particular DAF:
    - i) Total amount or value of the gift is used to calculate the 5% gift fee (see below).
    - ii) The gift fee, the cost associated with accepting and disposing of the gift (appraisal, environmental phase I assessment, legal fees directly resulting from the gift, costs to maintain the gift before sale, legal fees attributable to the particular DAF, and costs to sell the gift including real estate commission) shall all be deducted from the total amount or value of the gift to establish a net value of the gift which shall also be the beginning balance of the particular DAF.

- 4) Minimum Amount to Benefit Oregon Tech
  - a) A minimum of 50% of the net value of the gift (total value of the gift minus cost to administer or sell the gift) must be for the benefit of Oregon Tech.
- 5) Gift and Administrative Fees
  - a) At the time the gift is made, Oregon Tech will receive 5% of the total value of the gift as a gift fee.
  - b) On July 1 of each year after the year in which the gift is made to Oregon Tech, there will be a 1% administrative fee charged on the remaining value or balance of a particular DAF.
- 6) Additional Requirements for Gifts of Real Property
  - a) Appraisal: Oregon Tech shall obtain, at its expense, an appraisal of the property prior to accepting any gift of real property. If the appraisal shows that the value of the real property is less than the minimum of \$350,000, then the donor shall reimburse Oregon Tech for the costs of the appraisal.
  - b) Environmental Phase I Assessment: Oregon Tech shall obtain, at its expense, an Environmental Phase I Assessment and written report prior to accepting any gift of real property. If the Phase I Assessment reveals substantial issues that leads Oregon Tech to not accept the gift, then the donor shall reimburse Oregon Tech for the cost of the Environmental Phase I Assessment.
- 7) Governance of the DAF
  - a) Oregon Tech will not establish a separate governing body for a particular DAF.
  - b) The Foundation Board legally controls the assets of the particular DAF.
  - c) Funds in the DAF will be accounted for separately; however, funds in a DAF will be “pooled” and managed together with the Foundation’s other funds and investments.
- 8) Donor’s Requests for Disbursements
  - a) Disbursements to other charities that are NOT private foundations, and do not have objectives or activities that are inconsistent with Oregon Tech or the core values of Oregon Tech may be requested by the donor from time to time but no more frequently than quarterly.
  - b) The minimum amount of a disbursement shall be \$5,000.
  - c) The Development Executive Staff acts upon donor requests for distributions.
  - d) Limitations on Disbursements: Disbursements from a particular DAF will not be made if donor’s proposal:
    - i) Is not consistent with the Foundation’s charitable purpose, does not satisfy community needs identified by the Foundation as deserving of its support, or are not compliant with applicable law;
    - ii) Fulfills a pre-existing financial obligation or pledge of the Donor;
    - iii) May provide a disallowed private benefit to the Donor, an advisor to the Donor, or any other individual (e.g., membership fees or dues, tuition, sponsorship tickets, goods bought at auctions, etc.);
    - iv) May be a loan, compensation, expense reimbursement, or similar payment to the Donor, an advisor to the Donor, or any non-qualified recipient;
    - v) May be made for political campaign or legislative activities; or
    - vi) Is not made to a qualified Code Section 501(c)(3) entity qualified as a public charity.
- 9) Written Agreement
  - a) Prior to accepting any gift proposed to establish a DAF, there shall be a written agreement between Oregon Tech and the particular donor.
  - b) Content of the agreement to include at a minimum:



- i) Option to Terminate: For several reasons, including the possibility of a change in the law, Oregon Tech must retain the legal right to terminate the arrangement by distributing all the income and principal of a particular DAF to a community foundation or a national charitable fund.
- ii) Periodic reports of the value of a particular DAF to be provided to the donor.
- iii) Minimum balance of a particular DAF to be established. If the minimum balance is not maintained, then the remaining balance will be distributed to Oregon Tech Foundation's unrestricted account.



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**Charitable Gift Annuity Program**

Approved December 13, 2002  
as Modified February 3, 2003, Executive Committee action and sustained  
by OTF Board, May 30, 2003

Whereas the Oregon Tech Foundation willingly embraces the creation of a charitable gift annuity program, with these conditions:

- No annuity shall be established with any less than \$10,000
- The rates currently recommended by the ACGA shall be used—or those more favorable to the Oregon Tech Foundation
- Exceptions to the recommended rate, i.e., those less favorable to the Oregon Tech Foundation, may only be considered as outlined in the Oregon Tech Foundation Gift Acceptance Policy
- Charitable gift annuity assets shall be segregated from the general investment pool of the Oregon Tech Foundation
- No funds shall be taken from the charitable gift annuity gift assets until such time as the beneficiary or beneficiaries are deceased
- Charitable gift annuities will only be established with a donor (and, in the case of a two-life annuity, his or her other beneficiary) who is (are) 55 years of age or older
- Charitable gift annuities will only be established when they generate a deduction of at least 10% of the donated amount.

Be it resolved that the board of the Oregon Tech Foundation directs its executive director, its legal counsel, and its investment counsel to take the steps necessary to register the Foundation to issue charitable gift annuities and to have a prudent plan in place for their investment and accounting before the receipt of any.



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**Introduction – Agenda X.B.**

**Records Policy**

Approved on: 06/02/2004

Background: We received a request by one of the local politicians running for office to provide the names and addresses of a good portion of our alumni. The politician requested this information to do a political mailing.

We refused the request after consultation with our counsel. Counsel encouraged us to adopt a policy outlining our practice.



**Outsourced Investment Management**  
*OTF Investment Policy Statement*

APPROVED: November 8, 2022

### Overview

This investment plan of Oregon Tech Foundation (“OTF”) is created to ensure a clear understanding of the OTF’s investment policies and objectives as determined by the Directors for the Investment Manager and the Investment Advisor, Canterbury Consulting. Included are guidelines and restrictions agreed upon by the Directors and the Investment Manager.

## Purpose and Scope

The purpose of the Investment Policy Statement is to outline the goals and objectives for the management of the investment assets of Oregon Tech Foundation ("OTF") as identified by the Foundation's Board of Directors. The intent of the policy is to clearly identify the investment objectives for management of the assets, establish a clear understanding of the division of responsibilities between the various parties involved in the management of the Endowment Fund (the "Fund") assets; specify the criteria for the ongoing performance evaluation of investment managers, consultant/advisor, and provide the policy parameters within which assets are to be managed. These guidelines will be both sufficiently specific to be meaningful and flexible to be practical.

## Definition of Duties

### The Board

The Board is responsible for broad fiduciary oversight of the investments, and has delegated authority to the Finance Committee to establish an OCIO relationship and to make this statement pertaining to its investment policy as its intent for achieving the investment objective. The Board's responsibilities include the following:

- Approve, revise, or disapprove the investment policy statement and any future revision of the statement
- Appoint the Finance Committee.
- Approve recommendations from the Finance Committee on the engagement of investment advisor.
- Approve recommendations from the Finance Committee on Asset allocation and other strategic matters related to the investment portfolio.
- Receive report from the Finance Committee, at least once a year, regarding investment results, composition and other information the board requests.

### The Executive Director and/or Operations Manager

The Executive Director and/or Operations Manager, in collaboration with the investment advisor, is responsible for the assurance of the financial management and implementation of the investment strategy within the context of the investment policy. They:

- Ensure proper custody of investments
- On matters not delegated to the investment advisor, negotiate contracts related to the investments
- Monitor investment consulting and accounting expenses.
- Manages liquidity of the portfolio, including cash held on hand and operating reserves, to meet two years of anticipated flows of OTF.

### **Finance Committee**

The Finance Directors shall have the responsibility and authority to oversee the investments, and to provide information and recommendations to the Board of Directors.

Responsibilities of the Finance Committee include the following:

- Recommend an Investment Advisor, establishing the scope and terms of the delegation of investment responsibility consistent with the purposes of OTF and the investment pool.
- Develop the strategic allocation framework across asset classes with the help of the investment advisor.
- Implement the hiring and termination of Investment Advisor.
- Monitor and evaluate investment performance on at least a quarterly and ongoing basis;
- Develop criteria for and review Investment Advisor for performance and compliance with the scope and terms of the delegation.
- Review this Investment Policy Statement at least annually and recommend modifications to the Investment Policy to the Board of Directors for approval;
- Report to the Board of Directors regarding the investment results, asset allocation, composition and other information the Board may request.

### **Investment Advisor**

The Investment Advisor has the responsibility to manage the investment funds given a set of asset allocation targets within asset allocation ranges for the portfolio. The advisor shall act in good faith, with the care that an expert in a like position would exercise under similar circumstances.

In addition to taking general economic and inflation conditions into consideration, the Investment Advisor will take care to make management and investment decisions about an individual asset not in isolation, but rather in the context of the Fund's portfolio of investments as a whole and as a part of OTF's overall investment strategy, including the risk and return parameters set forth in this statement.

The Investment Advisor will have responsibility for the following:

- Assist in the development and revisions, as needed, of the Investment Policy statement, which will include, investment policies, guidelines and objectives for the Foundation's assets, and asset allocation targets and ranges.
- Review, hire and terminate investment managers.
- Review, monitor, and adjust allocation among investment managers and asset classes within the constraints of the Investment Policy Statement;
- Work with the custodian and respective managers to implement cash flow requirements, rebalances, and other investment decisions.

- Provide performance measurement and evaluation reports for each investment manager and for the overall Fund, which shall include:
  - The overall performance results in relation to stated objectives and policy guidelines and specifically in relation to the relevant custom policy index designed for the overall portfolio and asset class indices as defined under “Investment Objectives,” below.
  - For Individual Managers,
    - Performance results in relation to stated objectives and policy guidelines, including both rates of return and an examination of the risk a Manager assumed in order to achieve that return.
    - Comparison of each individual Manager’s performance against their respective benchmarks and peers
  - Current liquidity position for each investment in the Foundation’s investments.
- Review with the Finance Committee general economic and market conditions or situations and possible effect on the future of the portfolio;
- Assist in the selection of a director, custodian, actuary or administrator if necessary;
- As appropriate or upon the request of the Committee, provide asset allocation studies to discuss and make recommendations on the broad policy framework.
- Provide appropriate support to OTF’s internal staff in their work with OTF’s auditors.
- Act in good faith as fiscal power of attorney to implement the framework of the investment policy.

### **Investment Manager**

The investment manager shall have full discretion and authority to implement investment strategy, security selection and timing of purchases and sales of assets subject to the guidelines specific to their allocation.

Investments made through a mutual fund governed by the Securities Act of 1940 will be considered a liquid investment even if the underlying strategy does not fit into a traditional equity or fixed income strategy. Mutual funds and commingled funds shall be held to the specific guidelines of their respective prospectus.

### **Custodian**

The custodian has possession of securities for safekeeping, for settlement of trades, for collection of income. In addition, the custodian processes contributions and withdrawals, and provides comprehensive monthly statements for each investment in the portfolio.

- Provides means and procedures to the investment manager for the voting of proxies.
- Meets with the Executive Director and/or Operations Manager of OTF, as required, to address custodial issues that may be of concern.



### Investment Objectives:

#### Financial Objective:

The investment objectives of the assets are long term in nature with an investment horizon of at least 7-10 years. The long-term objective is to earn a total rate of return (income plus capital gains) that will exceed the demands placed on the portfolio to support OTF's goals in addition to exceeding the rate of inflation, as measured by the US Consumer Price Index – All items (CPI –U). The specific objectives of the Total Fund are expressed as follows:

**Return:** The overall rate of return objective for the Total Fund is a reasonable “real” rate consistent with the assumed level of Risk. The return objective of the Fund shall be to exceed the return of a baseline policy, net of fees. The baseline policy is defined as 65% MSCI All Country World Index / 35% Barclays Capital Global Aggregate Index. The minimum acceptable rate of return is that which equals or exceeds the CPI by 4% over a market cycle.

**Risk:** It is expected that the level of risk as measured by the annualized standard deviation of returns, over a full market cycle, shall be no **greater than 115% of that** of a passive portfolio reflecting the diversification of the investment portfolio.

The investment portfolio will also be tracked against an attribution index made up of a blend of passive proxies that reflects the proportional allocation to different asset classes within the portfolio. A detailed description of the attribution index will be provided in the portfolio's performance and attribution reports.

#### Spending:

The Uniform Prudent Management of Institutional Funds Act [UPMIFA] allows OTF to appropriate for expenditure an amount of the total fund as the Investment Committee determines is prudent for the purposes for which the fund was established.

OTF considers:

- The duration and preservation of the endowment fund
- The purposes of OTF and the fund
- General economic conditions
- Effects of inflation and deflation
- Expected total return from income and appreciation
- OTF's other resources and
- OTF's investment policy

Spending, as approved by the Board, is based on a total return strategy which includes both income and appreciation (both realized and unrealized gains). OTF's spending rule allows for the spending of

- 4% of a 16 quarter moving average calculated as of each fiscal year end (June 30)

Drafted: October 2022

- 1% administrative fee assessed on the fund balance at the end of the fiscal year

For purposes of preservation, distributions from a permanently endowed fund whose market value as of the end of the previous fiscal year, June 30, is less than the historical gift value, will be suspended. Distributions may not resume until such time that the previous year-end market value exceeds the historical gift value.

### Asset Allocation

The Fund's asset allocation policies are designed to be consistent with the objectives of return and risk. These policies, which consider the historic relationships of return and risk among asset classes, are designed to provide the highest probability of meeting or exceeding the Fund's return objectives at the lowest possible risk.

The table below indicates the target percentage and allowable ranges for each of the major asset categories. Changes in policy ranges may occur as a result of changing market conditions or anticipated changes in the Fund's needs. While the policy will be reviewed on a regular basis, the board believes that the need to deviate from the policy targets would be rare. Any contingencies or constraints on the investments outside of the asset allocation parameters listed below will be specified in Appendix A of this IPS.

Asset Allocation (at Market Value)		
	Target	Range (%)
<b>Growth Assets</b>	<b>65%</b>	<b>30 - 80</b>
US Equities		25 - 65
Non-US Equities		10 - 35
Private Equity		0 - 12
<b>Capital Preservation Assets</b>	<b>30%</b>	<b>15 - 60</b>
Fixed Income		10 - 40
Private Credit		0 - 5
Hedge Funds/Liquid Alts		0 - 5
Cash		0 - 10
<b>Inflation Hedging Assets</b>	<b>5%</b>	<b>0 - 10</b>
Liquid Real Assets		0 - 10

### Rebalancing

In order to maintain the risk and return characteristics of the agreed upon asset allocation plan, it is the policy to rebalance the portfolio towards target allocations when contributions to or distributions from the portfolio are made or when the asset class allocations have fallen outside the allowable

ranges established within these guidelines or if allocations have deviated from their target allocations by more than 20% or by more than 5% points on an absolute basis.

### Liquidity:

The fund will maintain adequate cash reserves to accommodate regular operational needs. While the total fund will have allocation to investments that have less than daily liquidity, the overall fund will maintain enough liquidity to meet distribution requirements in normal and stressed market conditions. The fund will be managed to have enough liquidity that can allow the reallocation of assets to areas of opportunities that may present themselves as a result of market dislocations. The fund's liquidity profile should be such that the ratio of assets that can be liquidated within one quarter should be at least four times the combined amount of three years of spending needs plus the aggregate of all unfunded commitments across all private funds.

### Transaction Costs

All transactions should be entered into on the basis of best execution. Trading costs for transaction of public funds and securities should be reasonable. Underlying investment manager fees and costs should be taken into consideration as part of due diligence in determining investment selection.

### Benchmarking:

The Investment Committee recognizes that a manager's value added through active management is best measured over a full market cycle. In general terms, the performance of active managers is expected to deviate from their benchmark during any quarter or annual period, but they are expected to outperform their respective benchmarks over rolling 3 to 5 year periods.

The performance benchmarks of the broad segments of the portfolio are listed below:

Benchmarks	
Equities	
US	Russell 3000
Non-US	MSCI All Country World Index ex US
Non-Traditional	
Hedge Strategies	HFRI Diversified Fund of Funds
Private Equity	Russell 3000 Quarterly Lagged
Liquid Alternatives	Custom*
Inflation Hedging	
Liquid Real Assets	Custom*
Fixed Income & Cash	
Fixed Income	Barclays Capital Aggregate
Private Credit	Custom*
Cash	90 Day T-bills

\* The custom index will reflect the composition and nature of strategies included in that segment of the portfolio.

Individual investment managers will be measured against a peer universe of managed funds and an identified benchmark that best represents the manager's investment style.

The Total Fund will be tracked against an Attribution index that reflects the diversified asset allocation in the total portfolio. The Attribution index will be made up of a blend of the above benchmarks reflecting the allocation to each asset class within the portfolio.

### **Investment Strategies**

#### **Fixed Income**

The purpose of the fixed income segment is to provide a hedge against deflation, provide a stable component of return, and to minimize the overall volatility of the fund.

The fixed income asset class includes the fixed income markets of the US and the world's other economies. It includes, but is not limited to US Treasury, municipal and government agency bonds, US and non-US dollar denominated securities, public and private corporate debt, mortgage and asset-backed securities, non-investment grade debt and currencies. Also included are money market instruments such as commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and US Treasury and agency obligations. The investment managers shall take into consideration credit quality, sector, duration and issuer concentrations in selecting an appropriate mix of fixed income securities. Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings and maturity premiums.

The allocation to investment strategies will be managed to maintain an average intermediate duration at the level of the overall fixed income segment.

The investment objective for the total fixed income segment is to outperform the Barclays Aggregate Bond index over a normal investment cycle.

#### **Equities**

The purpose of the equity investments, both domestic and international, is to provide capital appreciation, growth of income and current income. This asset class carries the assumption of greater market volatility and increased risk of loss, but also provides a traditional approach to meeting portfolio total return goals. This component includes domestic and international common stocks, American Depositary Receipts (ADRs) and other equity securities traded on the world's stock exchanges or over-the-counter markets.

The investment objective for the domestic equity composite is to outperform the Russell 3000 Index over a normal investment cycle.

The investment objective for the international (developed and emerging) markets equities is to outperform the MSCI ACWI ex U.S. Index over a normal investment cycle.

### **Private Equity**

The private equity portfolio will include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid.

The investment objective for this asset class will be measured by IRR (Internal Rate of Return), with an annualized return of 300 bp or more over a public equity market index. The benchmark for this segment when mature will be the Cambridge Private Equity Index, measured on a time-weighted basis and reported on a one quarter lag.

### **Private Credit**

The private credit portfolio will include investments in a variety of commingled/partnership and direct investment vehicles that include but are not limited to direct loans made to corporations, investments in corporate debt, structured credit and other special situations lending. The private credit portfolio is recognized to be long-term in nature and highly illiquid.

The investment objective for this asset class will be measured by IRR (Internal Rate of Return), with an annualized return that is over the public high yield bond index. The benchmark for this segment when mature will be the Cliffwater Direct Lending Index, measured on a time-weighted basis and reported on a one quarter lag.

### **Hedge Strategies**

The purpose of using hedged strategies is to reduce the volatility of the overall portfolio by further diversifying the portfolio and to provide an alternative source of return from that of the traditional domestic and international capital markets. Managers exploit OTF market inefficiencies while minimizing exposure and correlation to traditional stock and bond markets.

The investment objective for the hedge fund composite is to outperform a peer group of funds as represented by the HFRI Diversified Fund of Funds Index.

### **Liquid Alternatives**

These investments represent a dynamic allocation approach to a variety of strategies that use marketable securities. Each manager seeks to generate absolute positive returns regardless of the direction of the capital markets. Managers allocate tactically across these strategies in order to exploit OTF market inefficiencies while reducing the correlation to traditional stock and bond markets. For the most part exposure to these liquid alternative strategies is through publicly traded funds.

The investment objective for the Liquid Alternative strategies composite is to outperform a blended benchmark of 60% MSCI ACWI /40% Barclays Global Aggregate Index. Individual manager benchmark will be determined at the time that the manager is hired.

### **Inflation Hedging (Real Assets)**

The purpose of the Inflation hedging segment is to represent claims on future streams of inflation sensitive income, protect against unanticipated inflation and to capitalize on rising commodity prices. This segment plays an important diversifying role in the portfolio as assets in this segment have a tendency to outperform during periods of rising inflation.

This segment will include investments in oil and gas, real estate, infrastructure, agriculture, commodities, timber, inflation protection bonds as well as financial instruments whose value is derived from a contractual claim on an underlying real asset such as commodity futures, REITs and MLPs. It may also include equity securities of companies engaged in energy, natural resources and basic materials businesses. The investments can be made via public and private funds, partnerships and co-investments.

The investment objective for the liquid real asset segment is to outperform the custom Inflation Hedge benchmark as listed in the benchmarking segment of these policies. Individual manager benchmark will be determined at the time that the manager is hired.

The investment objective for individual real estate funds will be measured by IRR (Internal Rate of Return). The benchmark for the overall real estate segment, when mature, will be the NCREIF Property Index, measured on a time-weighted basis.

The investments objective for individual private funds investing in timber, oil and gas, infrastructure and other areas of real assets will be measured by IRR. The benchmark for individual funds will be determined at the time that the manager is hired.

### **Partnership Investments**

Guidelines will be established during the selection of partnership vehicles for hedge funds, real estate funds and private equity funds. When a manager or a fund has been selected, an appropriate benchmark for measuring performance will be determined at that time.

While no one set of guidelines will apply to all non-traditional investment opportunities, the following key items should be considered and documented before an allocation to a particular vehicle is made:

- An understanding of the specific strategy, an understanding of the tenure and track record of the management as a team.
- The type of investment vehicle used so as to minimize the adverse consequences for the Fund.
- The terms of the agreement to clearly specify the termination date of the fund, the ability and process to withdraw funds, the management fee structure, the process for the allocation of profits and losses and the incentive allocation, the distribution rules, the key man clause.
- An understanding of the quantitative and qualitative goals that are used to compensate fund personnel
- The amount of leverage allowed. Although leverage may be employed with an alternative investment vehicle, no alternative investment vehicle may be used that will obligate or encumber the Fund beyond its original investment commitment

- Consideration of the potential impact of unrelated business income taxes on the fund's projected results
- An inquiry about the fund's internal controls and a request of the auditor's assessment of internal controls.
- Each alternative investment will be monitored against an appropriate benchmark for the strategy;
- The fund will be monitored for changes in valuation methodologies, changes in personnel, liquidity terms and investment style.

### **Cash Equivalents**

The percentage of total assets allocated to cash equivalents should provide enough liquidity to support general operational expenses.

Cash equivalents may include a selection of high-quality money market instruments such as U.S. Treasury bills, commercial paper, and certificates of deposit, as well as bank Short Term Investment Funds (STIFs).

### **Use of Derivatives**

Derivatives are financial instruments that derive their value from the value of some underlying security or asset. Derivative instruments may be used in lieu of physical securities when the derivatives offer greater liquidity (lower transaction costs) or greater precision for the purpose of managing a portfolio's market or security exposure, duration, yield curve exposure, credit risk or prepayment risk. Derivatives will be used primarily to hedge or reduce risk, but they may also be used to increase exposure to a market factor or portfolio attribute if that desired exposure is not easily obtainable via physical securities.

In all cases, the use of derivatives is subject to appropriate limitations including, but not limited to, duration, counterparty, credit quality, asset concentration, etc. Any derivatives used must be highly liquid and have an active secondary market. Derivatives may be used when they offer a more efficient means to manage the portfolio, but they are not to be used for the sole purpose of yield enhancement.

Certain guidelines for acceptable derivatives instruments and limitations on their use are directly applicable for separate accounts. If commingled funds or mutual funds are utilized, it is recognized that the fund's prospectus will govern the management of the fund. These guidelines then become relevant in fund selection.

### History Investment Policy Statement Revisions

The Investment Policy and Guidelines for the Oregon Tech Foundation was originally approved on May 31, 2002 and has had subsequent revisions as follows:

Date	Notes
May 31, 2002	Original Approval
December 13, 2002	Revision
May 30, 2003	Revision
April 29, 2004	Revision
June 2, 2004	Revision
February 21, 2009	Revision
January 30, 2015	Revision
June 1, 2022	Adopt Outsourced CIO investment Advisor model



**Appendix A**

**Portfolio Constraints and other Contingencies**

### Acknowledged & Agreed

The Investment Policy Statement has been reviewed and approved by the Directors of the plan assets. Should the Directors believe at any time that changes, additions, or deletions to this statement are advisable, it shall be his/her full responsibility to recommend them to the Investment Manager.

APPROVED by the Directors of Oregon Tech Foundation.

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: **Krista Darrah**, Operations Manager

By acknowledging in writing the receipt of this statement, Canterbury Consulting agrees to its terms and conditions. Should the Investment Manager believe at any time that changes, additions, or deletions to this statement are advisable, it shall be his/her full responsibility to recommend them to the Directors.

Investment Manager (Canterbury Consulting)

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name:



### **Treasury Bills in the Endowment Portfolio**

Approved: May 30, 2003

Whereas the Oregon Tech Foundation works diligently to provide its donors with a safe and high investment return from its endowments,

And whereas the Treasury bills in the Oregon Tech Foundation's investment portfolio were received before the current investment policy,

And whereas the bills have a fine annual payout when many other investments currently do not,

Therefore, be it resolved, that the Oregon Tech Foundation exempts this asset from being managed under its investment policy, and

Be it further resolved that the Oregon Tech Foundation delegates the authority of the decisions on how best to deal with these bills to its Finance Committee, and

So charges that committee with reviewing the determination as to what to do with these bills at least annually.



*Building a Great University:  
The Oregon Institute of Technology*

**Locking the Fiscal Time Period**

**Approved: May 30, 2000**

Whereas the Oregon Tech Foundation board wants to assure security to its donors and to minimize the chances for fiscal impropriety,

Be it resolved that upon finalization of all adjustments for each fiscal year as to be determined by the external auditor, it shall be the policy of the Oregon Tech Foundation to “lock” the prior fiscal year.

In practice, as long as the Oregon Tech Foundation uses Blackbaud’s Financial Edge, this shall be accomplished by giving permission to at least two people but not known by anyone responsible for originating transactions such as checks, deposits, or bank reconciliations.



*Building a Great University:  
The Oregon Institute of Technology*

**Klamath Basin Scholarships**  
**Approved May 30, 2003**

Whereas the Oregon Tech Foundation is committed to providing a permanent stream of scholarship funds,

Be it resolved, the Oregon Tech Foundation, having raised ample funds for scholarship support for students from the Klamath Basin, desires to make this pool of contributions a fund that functions like endowment.

Therefore, the Board takes this action today, May 30, 2003, to have the funds raised to date reside in the investment pool and to be managed like the other endowment funds of the Oregon Tech Foundation, and

Be it further resolved that the Board desires to have additional contributions to Klamath Basin Scholarships, which do not bear donor names – either because they are too small to do so under the existing Oregon Tech Foundation donor recognition and endowment policies (or as they may be amended from time to time), or because the donor does not desire such – be added to this fund functioning like and endowment, and

Be it further resolved, that the executive director of the Oregon Tech Foundation may pass disposition on any contribution that is not covered by this resolution where additions to this fund functioning like an endowment would please the donor and meet the needs of the Oregon Tech Foundation, and

Be it further resolved that the Oregon Tech Foundation Board delegates to its Scholarship Committee the authority to establish the criteria by which the stream of income from this fund functioning like an endowment may be awarded.



*Building a Great University:  
The Oregon Institute of Technology*

**Unused Scholarship Funds Practice**

Adopted: February 27, 2003 by Finance Committee

- 1) an unused award from endowed scholarship shall be returned to its respective corpus
- 2) unused awards from non-endowed scholarships shall be awarded to an alternate student; if no acceptable student can be found,
- 3) the donor shall be contacted and asked if this award may be kept to be used in the following school year, or returned to the donor if s/he would prefer



**OREGON TECH FOUNDATION**  
FY 2024-25 OPERATING BUDGET

SOURCES OF FUNDS	TOTAL
QUASI-ENDOWMENT SPENDABLE (4%)	268,732
ADMINISTRATIVE FEE ON ENDOWMENTS (1%)	266,719
UNRESTRICTED ANNUAL GIFTS (PY)	50,000
INVESTMENT EARNINGS	35,000
EVENT INCOME/SPONSORSHIPS	85,140
GIFT FEE (5%)	101,250
OIT SUPPORT/OTHER	-
TOTAL SOURCES	806,841

EXPENDITURES	PERSONNEL	S&S	GRANTS	TOTAL
ALUMNI RELATIONS	125,513	64,130	-	189,643
DEVELOPMENT	9,129	83,022	-	92,151
ANNUAL FUNDRAISING	-	41,481	-	41,481
FOUNDATION SERVICES	257,181	186,386	-	443,567
GRANTS TO OREGON TECH	-	-	40,000	40,000
TOTAL EXPENDITURES	391,822	375,019	40,000	806,841

NET BUDGET (0)

**OREGON INSTITUTE OF TECHNOLOGY**  
FY 2024-25 OPERATING BUDGET

SOURCES OF FUNDS	TOTAL	COMBINED BUDGET
		268,732
		266,719
		50,000
		35,000
		85,140
		101,250
	1,065,837	1,065,837
TOTAL SOURCES	1,065,837	1,872,678

EXPENDITURES	PERSONNEL	S&S	TOTAL	TOTAL
ALUMNI RELATIONS	-	-	-	189,643
DEVELOPMENT	679,332	9,000	688,332	780,482
ANNUAL FUNDRAISING	105,018	9,200	114,218	155,700
FOUNDATION SERVICES	255,379	7,908	263,287	706,854
	-	-	-	40,000
TOTAL EXPENDITURES	1,039,729	26,108	1,065,837	1,872,678

(0)

**OREGON TECH FOUNDATION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT**



**Certified  
Public  
Accountants, LLP**

audit | tax | advisory | valuation | wealth





## TABLE OF CONTENTS

Oregon Tech Foundation  
Years Ended June 30, 2024 and 2023

**Independent Auditor's Report**

A1-A2

**Financial Statements**

Statements of Financial Position

1

Statements of Activities

2-3

Statements of Cash Flows

4

Statements of Functional Expenses

5-6

Notes to the Financial Statements

7-28



## | INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Oregon Tech Foundation  
Klamath Falls, Oregon

### Opinion

We have audited the accompanying financial statements of Oregon Tech Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in *Note 2* to the financial statements, the 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KDP Certified Public Accountants, LLP*

KDP Certified Public Accountants, LLP  
Medford, Oregon  
September 17, 2024



## | FINANCIAL STATEMENTS

**OREGON TECH FOUNDATION**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>(As Restated) 2023</b>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 2,443,932	\$ 3,789,278
Other current assets:		
Accounts receivable	9,133	2,741
Prepaid expenses	43,857	55,698
Total current assets	<u>2,496,922</u>	<u>3,847,717</u>
Non-current assets:		
Investments	39,365,667	35,235,302
Unconditional promises to give, net	1,412,088	1,223,283
Intangible assets (royalties)	811,851	-
Split-interest agreements	757,761	719,976
Other assets	185,547	357,159
Operating lease right-of-use asset	58,402	-
Total non-current assets	<u>42,591,316</u>	<u>37,535,720</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 45,088,238</u></u>	<u><u>\$ 41,383,437</u></u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 165,216	\$ 1,360,253
Liabilities under split asset agreements	16,322	17,354
Funds held for distribution	1,566,119	1,518,018
Refundable advances	1,005,773	493,668
Operating lease liability, current	19,887	-
Total current liabilities	<u>2,773,317</u>	<u>3,389,293</u>
Non-current liabilities:		
Operating lease liability, net of current	38,515	-
Total liabilities	<u>2,811,832</u>	<u>3,389,293</u>
Net assets:		
Without donor restrictions	14,492,356	13,048,892
With donor restrictions	27,784,050	24,945,252
Total net assets	<u>42,276,406</u>	<u>37,994,144</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 45,088,238</u></u>	<u><u>\$ 41,383,437</u></u>

# OREGON TECH FOUNDATION

## Statement of Activities Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT:</b>			
Contributions and grants	\$ 269,915	\$ 3,159,706	\$ 3,429,621
In-kind donations	155,002	30,954	185,956
Investment income, net	2,013,393	1,936,386	3,949,779
Change in value of split-interest agreements	-	38,817	38,817
Other income	28,277	165,525	193,802
Net assets released from restrictions	2,492,590	(2,492,590)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<u>4,959,177</u>	<u>2,838,798</u>	<u>7,797,975</u>
<b>EXPENSES:</b>			
Program services:			
University support	494,036	-	494,036
Student support	2,220,305	-	2,220,305
Support services:			
Management and general	706,620	-	706,620
Fundraising	94,752	-	94,752
<b>TOTAL EXPENSES</b>	<u>3,515,713</u>	<u>-</u>	<u>3,515,713</u>
<b>CHANGE IN NET ASSETS</b>	1,443,464	2,838,798	4,282,262
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>13,048,892</u>	<u>24,945,252</u>	<u>37,994,144</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 14,492,356</u></u>	<u><u>\$ 27,784,050</u></u>	<u><u>\$ 42,276,406</u></u>

# OREGON TECH FOUNDATION

## Statement of Activities Year Ended June 30, 2023

	Without Donor Restrictions	(As Restated) With Donor Restrictions	Total
<b>REVENUES AND SUPPORT:</b>			
Contributions and grants	\$ 225,647	\$ 2,243,438	\$ 2,469,085
In-kind donations	159,494	12,859	172,353
Investment income, net	1,788,326	1,197,975	2,986,301
Change in value of split-interest agreements	-	30,738	30,738
Other income	28,375	28,532	56,907
Net assets released from restrictions	2,651,315	(2,651,315)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<u>4,853,157</u>	<u>862,227</u>	<u>5,715,384</u>
<b>EXPENSES:</b>			
Program services:			
University support	1,289,636	-	1,289,636
Student support	1,845,541	-	1,845,541
Support services:			
Management and general	599,285	-	599,285
Fundraising	117,023	-	117,023
<b>TOTAL EXPENSES</b>	<u>3,851,485</u>	<u>-</u>	<u>3,851,485</u>
<b>CHANGE IN NET ASSETS</b>	1,001,672	862,227	1,863,899
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>12,047,220</u>	<u>24,083,025</u>	<u>36,130,245</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 13,048,892</u></u>	<u><u>\$ 24,945,252</u></u>	<u><u>\$ 37,994,144</u></u>



**OREGON TECH FOUNDATION**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>(As Restated) 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 4,282,262	\$ 1,863,899
Items not requiring (providing) cash		
Realized and unrealized (gain) loss on investments, less interest and distributions paid in cash	(4,113,556)	(2,915,369)
Gain on sale of property	(150,000)	-
Contributions of stock	(16,809)	(34,264)
Contributions restricted for long-term purposes	(840,096)	(462,605)
Changes in		
Accounts receivable	(6,392)	1,234
Prepaid expenses	11,841	(3,109)
Intangible assets (royalties)	(811,851)	-
Other assets	1,612	4,742
Unconditional promises to give, net	(188,805)	1,717,142
Accounts payable and accrued expenses	(1,195,037)	1,179,705
Funds held for distribution	48,101	380,739
Refundable advances	512,105	1,240
Value of split-interest agreements, net	(36,967)	(28,583)
Net cash provided (used) by operating activities	<u>(2,503,592)</u>	<u>1,704,771</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	-	(1,125,000)
Proceeds from sale of property	320,000	-
Net cash provided (used) by investing activities	<u>320,000</u>	<u>(1,125,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long-term purposes	840,096	462,605
Payments on charitable gift annuity and remainder trust agreements	(1,850)	(2,155)
Net cash provided (used) by financing activities	<u>838,246</u>	<u>460,450</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,345,346)	1,040,221
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,789,278</u>	<u>2,749,057</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 2,443,932</u></u>	<u><u>\$ 3,789,278</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Taxes paid	<u>\$ 150</u>	<u>\$ 150</u>

**OREGON TECH FOUNDATION**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2024**

	<b>Program Services</b>			<b>Support Services</b>			
	<b>University Support</b>	<b>Student Support</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Support Services</b>	<b>Total</b>
Academic	\$ 25,934	\$ 708,606	\$ 734,540	\$ -	\$ -	\$ -	\$ 734,540
Athletic	-	238,413	238,413	-	-	-	238,413
General university support	59,278	-	59,278	-	-	-	59,278
Scholarships	-	1,251,927	1,251,927	-	-	-	1,251,927
Student clubs	49,105	-	49,105	-	-	-	49,105
Capital	2,006	-	2,006	-	-	-	2,006
Other	272,090	-	272,090	-	-	-	272,090
Salaries	85,623	19,661	105,284	328,591	41,442	370,033	475,317
Legal	-	-	-	1,140	-	1,140	1,140
Accounting	-	-	-	36,739	-	36,739	36,739
Contracted services	-	-	-	89,692	-	89,692	89,692
Advertising and promotions	-	-	-	15,912	-	15,912	15,912
Office expenses	-	-	-	52,046	-	52,046	52,046
Information technology	-	-	-	74,208	-	74,208	74,208
Rent	-	-	-	20,034	-	20,034	20,034
Travel	-	-	-	41,933	-	41,933	41,933
Professional development	-	-	-	6,525	-	6,525	6,525
Insurance	-	1,698	1,698	6,272	-	6,272	7,970
Miscellaneous expense	-	-	-	33,528	-	33,528	33,528
Fundraising	-	-	-	-	53,310	53,310	53,310
	<u>\$ 494,036</u>	<u>\$ 2,220,305</u>	<u>\$ 2,714,341</u>	<u>\$ 706,620</u>	<u>\$ 94,752</u>	<u>\$ 801,372</u>	<u>\$ 3,515,713</u>

See accompanying notes to the financial statements

**OREGON TECH FOUNDATION**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	<b>Program Services</b>			<b>Support Services</b>			
	<b>University Support</b>	<b>Student Support</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Support Services</b>	<b>Total</b>
Academic	\$ -	\$ 426,682	\$ 426,682	\$ -	\$ -	\$ -	\$ 426,682
Athletic	-	266,648	266,648	-	-	-	266,648
General university support	323,054	-	323,054	-	-	-	323,054
Scholarships	-	1,081,950	1,081,950	-	-	-	1,081,950
Student clubs	-	34,585	34,585	-	-	-	34,585
Capital	603,772	-	603,772	-	-	-	603,772
Other	257,402	11,720	269,122	-	-	-	269,122
Salaries	105,408	18,958	124,366	321,498	42,842	364,340	488,706
Legal	-	-	-	1,327	-	1,327	1,327
Accounting	-	-	-	36,655	-	36,655	36,655
Contracted services	-	-	-	11,513	-	11,513	11,513
Advertising and promotions	-	-	-	9,611	-	9,611	9,611
Office expenses	-	-	-	29,770	-	29,770	29,770
Information technology	-	-	-	69,194	-	69,194	69,194
Rent	-	-	-	19,454	-	19,454	19,454
Travel	-	-	-	61,466	-	61,466	61,466
Professional development	-	-	-	4,172	-	4,172	4,172
Insurance	-	4,998	4,998	4,508	-	4,508	9,506
Miscellaneous expense	-	-	-	30,453	-	30,453	30,453
Fundraising	-	-	-	-	74,181	74,181	74,181
Change in reserve for uncollectable pledges	-	-	-	(336)	-	(336)	(336)
	<u>\$ 1,289,636</u>	<u>\$ 1,845,541</u>	<u>\$ 3,135,177</u>	<u>\$ 599,285</u>	<u>\$ 117,023</u>	<u>\$ 716,308</u>	<u>\$ 3,851,485</u>

See accompanying notes to the financial statements

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 1. Purpose of the Foundation

The Oregon Tech Foundation (Foundation) is an Oregon nonprofit corporation, chartered December 30, 1969. It is exempt from federal income tax in accordance with Internal Revenue Code Section 501(c)(3) and is classified as an organization other than a private foundation by letter dated October 10, 1992. Contributions to the Foundation are tax deductible as a charitable contribution under the Internal Revenue Code.

The purpose of the Foundation is to promote the educational, cultural, charitable, and service functions of the Oregon Institute of Technology (OT). Funding for the Foundation's activities is primarily provided by public and corporate donations. Most expenses of the Foundation are paid directly by OT and then reimbursed by the Foundation. These expenses are categorized in the statements of activities and functional expenses.

The Foundation's Board of Directors (Board) consisted of 25 individuals during the 2023-2024 fiscal year. The executive director manages the day-to-day administration of the Foundation.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the board of directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires or has been met, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

#### Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less at acquisition that are not otherwise held by an investment advisor are considered to be cash and cash equivalents unless subject to donor-imposed restrictions that limits their use to long-term purposes such as endowments.

# **OREGON TECH FOUNDATION**

## **Notes to Financial Statements**

**June 30, 2024 and 2023**

### **Note 2. Summary of Significant Accounting Policies (continued)**

#### **Accounts Receivable**

Accounts receivable are recorded at the amount unpaid, less an allowance for doubtful accounts, if needed. Management believes that all outstanding accounts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

#### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Changes in unrealized gains and losses are reported in the accompanying statement of activities and changes in net assets.

Investments in privately held stock and limited partnership interests are accounted for under the cost method, as the Foundation does not have significant influence over operating and financial policies of the investee. Under this method, investments are carried at the lower of cost or net realizable value and are reviewed annually for impairment. A decline in the fair value of any available-for-sale security below cost, that is deemed to be other-than-temporary, results in an impairment reducing the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. See also *Note 4*. Dividends and partnership distributions are recognized as income when received.

#### **Unconditional Promises to Give**

Unconditional promises to give that are expected to be collected within one year are recorded at face value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Amortization of the discounts is included in contribution revenue.

The Foundation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

#### **Collections**

The Foundation capitalizes collections displayed and used in the fulfillment of its purposes. Collections are recorded at cost if purchased and at fair value at date of accession if donated. The Foundation does not depreciate collections that are protected, kept unencumbered, cared for, and preserved.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 2. Summary of Significant Accounting Policies (continued)

#### Intangible Assets

In fiscal year 2018 the Foundation received a bequest of a company that holds rights to collect royalties arising from movies, performances and television shows. The company is a wholly owned subsidiary of the Foundation.

The fair value of the royalties was determined based on a discounted future cash flow method. The future cash flows were estimated using historical revenues, industry trends, and projections of future income and expenses. The royalties were valued at \$811,851 as of the bequest date. The royalties have an indefinite life and are tested annually for impairment. For the year ended June 30, 2024, no impairment loss was recognized.

#### Leases

The Foundation has one operating lease for office space located in Klamath Falls, Oregon commencing on June 1, 2024, with a three-year term. The Company's lease may include options to extend or terminate the lease.

The Foundation has made the following accounting policy elections under ASU 2016-02 (Topic 842) *Leases*:

- As the Foundation's operating lease does not provide an implicit borrowing rate, the Foundation elected to use the risk-free interest rate commensurate with the lease term remaining as of the adoption date.
- The Foundation elected the short-term lease exemption for all leases that qualify and did not recognize a right-of-use (ROU) asset and a lease liability for leases with an initial term of twelve months or less.

The Foundation's lease agreements do not contain residual value guarantees or significant restrictions or covenants other than those customary in such arrangements. As of June 30, 2024, the Foundation did not have material leases that had been signed but not yet commenced.

#### Revenues and Support and Expenses

Contributions received are recorded as "without donor restrictions" or "with donor restrictions", depending on the existence and nature of any donor restrictions. All contributions are considered to be "without donor restrictions" unless specifically restricted by the donor or subject to legal restrictions.

The Foundation records contributions in the "with donor restrictions" class of net assets if they are received with donor stipulations that limit their use through either purpose or time restrictions or both. When donor restrictions expire – that is, when the purpose restriction is fulfilled or the time restriction expires – net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. It is the Foundation's policy to record donor-restricted contributions received and expended in the same accounting period as contributions with donor restrictions and as net assets released from restrictions. Contributions restricted to the purchase of property or equipment are considered to be met when the asset is placed in service.

# **OREGON TECH FOUNDATION**

## **Notes to Financial Statements**

**June 30, 2024 and 2023**

### **Note 2. Summary of Significant Accounting Policies (continued)**

Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets to be used directly in the operations is transferred to the Foundation.

Other revenue is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### **Grants**

The Foundation periodically receives grants from private companies and non-profit organizations. Grants generally have reporting requirements with which the Foundation must comply.

To date, the Foundation has complied with all reporting requirements to the best of their knowledge. Grants have been reported as contributions support.

#### **Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided program services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

For the years ended June 30, 2024 and 2023, the Foundation recorded contributed salaries of \$149,278 and \$143,669 and other services of \$4,423 and \$4,423, respectively, from OT.

#### **Donated Property and Equipment**

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

#### **Functional Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities.

The Statements of Functional Expenses present the natural classification of expenses by function. Accordingly, salary expenses have been allocated based on estimates of management between the programs and supporting services benefited.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 2. Summary of Significant Accounting Policies (continued)

#### Income Taxes

The Foundation is a not-for-profit organization which is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is required to pay income taxes on its unrelated business income received from partnership interests and affinity program royalties. The Foundation accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are established for the differences between the financial reporting basis and income tax basis of assets and liabilities, as well as operating loss and tax credit carry-forwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities in tax rates is recognized in income in the period that includes the enactment date.

The Foundation's federal Exempt Organizations Business income tax returns (Form 990T) for 2023, 2022 and 2021, are subject to examination by the IRS, generally for three years after they are filed.

#### Use of Estimates

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimated. Significant estimates include allowance for uncollectible promises to give, fair value of alternative investments and other investments, actuarial assumptions used to compute annuity and life income obligations and estimated bequests.

#### Restatement of Prior Year

During the fiscal year ended June 30, 2024, the Foundation identified \$200,000 conditional receivable recorded in the prior year. The 2023 financial statements have been restated for this correction.

### Note 3. Availability and Liquidity

The following represents the Foundation's financial assets that are available to meet cash needs for general expenditures at June 30, 2024:

#### Financial assets:

Cash and cash equivalents	\$ 4,506,399
Accounts receivable	5,748
Contributions released for use due to passage of time	63,546
Endowment spending-rate distributions and appropriations	264,570
Endowment administrative fee	<u>223,818</u>
Total financial assets available with one year	<u>\$ 5,064,081</u>



# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 3. Availability and Liquidity (continued)

The Foundation's goal is generally to maintain financial assets available to meet six months of general expenditures (operating expenses). Based on prior year's operating expenses, the amount is approximately \$1,110,000.

### Note 4. Investments

Investments are carried at fair value and cost on the statements of financial position. The values of investments held at June 30 are as follows:

	2024	2023
Money market funds	\$ 103,632	\$ 83,405
Equities	719,198	-
Mutual funds	25,477,894	28,520,792
Alternative investments	11,931,634	5,514,605
Investment in partnership	1,133,309	1,116,500
	<u>\$ 39,365,667</u>	<u>\$ 35,235,302</u>

The Foundation had \$7,613,589 and \$6,631,105 invested in underlying securities that are not readily marketable at June 30, 2024 and 2023, respectively. These investments are in off-shore investment funds and a partnership interest. Such investments, at June 30, 2024 and 2023, represent 19.2% and 18.8% of the total investments and 18.3% and 17.4% of net assets, respectively. These investments contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence on key individuals, emphasis on speculative investments, and nondisclosure of full portfolio composition. Because these investments are not readily marketable, their estimated values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be significant.

Investment return (loss) for the years ended June 30 consisted of:

	2024	2023
Dividends and interest	\$ 1,207,333	\$ 1,320,073
Partnership distributions	-	140,130
Partnership distributions on alternative investments	130,853	164,274
Unrealized gain (loss) on investments	2,313,271	(158,612)
Unrealized gain (loss) on alternative investments	408,447	137,787
Realized gain (loss) on investments	116,308	1,447,569
Realized gain (loss) on alternative investments	(113,972)	8,808
	<u>4,062,240</u>	<u>3,060,029</u>
Investment fees	<u>(112,461)</u>	<u>(73,728)</u>
Investment income (loss)	<u>\$ 3,949,779</u>	<u>\$ 2,986,301</u>

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 4. Investments (continued)

#### Alternative Investments

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Alternative investments are considered to be less liquid than the Foundation's other investments. The following table summarizes these investments for the following periods:

June 30, 2024	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
AEA Investors Fund VII LP	\$ 1,036,796	\$ 29,403	Non-redeemable	N/A
Altas Partners Holdings II-A	1,225,834	95,274	Non-redeemable	N/A
Ares US Real Estate Opportunity Fund IV	(5,377)	300,000	Non-redeemable	N/A
Canterbury Fund of Funds I (B), L.P.	839,627	359,972	Non-redeemable	N/A
Canterbury Consulting PC Fund II (B), L.P.	87,090	549,833	Non-redeemable	N/A
Canterbury Private Income Fund I, L.P.	553,648	1,158,579	Non-redeemable	N/A
HKW Capital Partners V, L.P.	995,892	9,010	Non-redeemable	N/A
Strategic Partners Fund VIII, LP	499,252	439,759	Non-redeemable	N/A
NB Private Debt Fund IV	553,491	148,583	Non-redeemable	N/A
CCI Core Bond Fund	5,496,902	-	Weekly	5 days
Silver Point Specialty Credit Fund II	648,479	52,123	Non-redeemable	N/A
	<u>\$11,931,634</u>			

June 30, 2023	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
AEA Investors Fund VII LP	\$ 1,043,125	\$ 38,183	Non-redeemable	N/A
Altas Partners Holdings II-A	1,017,284	161,220	Non-redeemable	N/A
Ares US Real Estate Opportunity Fund IV	(3,310)	300,000	Non-redeemable	N/A
Canterbury Fund of Funds I (B), L.P.	644,700	473,670	Non-redeemable	N/A
Canterbury Consulting PC Fund II (B), L.P.	35,416	593,750	Non-redeemable	N/A
Canterbury Private Income Fund I, L.P.	377,143	1,322,857	Non-redeemable	N/A
HKW Capital Partners V, L.P.	875,673	25,465	Non-redeemable	N/A
Strategic Partners Fund VIII, LP	538,511	448,653	Non-redeemable	N/A
NB Private Debt Fund IV	419,871	284,040	Non-redeemable	N/A
Silver Point Specialty Credit Fund II	566,192	121,469	Non-redeemable	N/A
	<u>\$ 5,514,605</u>			

## OREGON TECH FOUNDATION

### Notes to Financial Statements

June 30, 2024 and 2023

#### Note 4. Investments (continued)

##### Alternative Investments

The HKW Capital Partners V, LP has a minimum 10-year lock-up period which has not been satisfied and is therefore non-redeemable. This investment's strategy is a private equity buyout that will seek to invest in portfolio companies in the lower end of the middle market primarily in North America. Target companies will operate in the business services, health and wellness, and infrastructure services and products industries.

The Strategic Partners Fund VIII, LP has a minimum 10-year lock-up period which has not been satisfied and is therefore non-redeemable. This investment's strategy is to invest in secondary LP interest in mature, high-quality funds from investors seeking liquidity prior to full termination. The investment targets small and mid-size fund deals with a focus on portfolio diversification.

The AEA Investors Fund VII, LP has a minimum 10-year lock-up period which has not been satisfied and is therefore non-redeemable. This investment's strategy is a private equity buyout with the intent of making primarily control-oriented buyout investments of leading middle market companies, primarily in the United States, in the industrial products, specialty chemicals, consumer/retail, and services sectors.

The Altas Partners Holdings II-A has a minimum 10-year lock-up period which has not been satisfied and is therefore non-redeemable. This investment's strategy is a private equity buyout with the intent of making middle market control buyout investments in North America.

The Canterbury Funds of Funds 1 (B), L.P. and Canterbury Consulting PC Fund II (B), L.P. have a minimum 10-year lock-up period and 12-year lock-up period, respectively, which have not been satisfied, and are therefore non-redeemable. The investment strategy for these investments is a series of pooled investment vehicles (Underlying Funds). Each Underlying Fund will focus on a specific sector of the market. The investments of the Underlying Funds are generally expected to span a range of strategies including, without limitation, investments of the following nature: buyouts and other later-stage private equity, growth equity, secondary investments, distressed to control, and other opportunistic private investments.

The Silver Point Specialty Credit Fund II (Offshore), L.P. had a minimum 1-year lock-up period which has been satisfied and allows annual redemptions. This investment's strategy is to achieve superior risk-adjusted returns by investing in debt, equity or other securities or obligations of misvalued, leveraged or financially distressed companies and in event-oriented and other special situations. The investment strategies employed may include (without limitation) the following: credit-oriented investments; event-oriented investments; asset-oriented investments; and investments in misvalued securities, obligations or instruments.

The Neuberger Berman Private Debt Fund IV, L.P. has a minimum 8-year lock-up period which has not been satisfied, and therefore non-redeemable. This fund originates and invest in PE sponsor-backed middle market loans in North America. The strategy seeks consistent risk-adjusted returns by originating 1st lien and unitranche loans to companies with well-understood business models and meaningful barriers to entry. Neuberger Berman will offer levered and unlevered funds.

## OREGON TECH FOUNDATION

### Notes to Financial Statements

June 30, 2024 and 2023

#### Note 4. Investments (continued)

The Ares US Real Estate Opportunity Fund IV has a minimum 8-year lock-up period with the potential for two additional one-year extensions, which has not been satisfied and therefore is non-redeemable.

#### Alternative Investments

The intent of the fund is to include real estate investments across major property types, including residential, industrial, hotel, triple net lease, as well as other traditional and adjacent sectors.

The Canterbury Private Income Fund I, LP is an illiquid investment with an eight-year term, which may be extended for up to two one-year periods at the general partner's discretion. The intent of the fund focuses on investing in the private credit asset class. The fund is a multi-manager with diversification across multiple private credit segments.

The CCI Core Bond Fund, L.P. has no lock-up period. The investment strategy is to seek to maximize long-term total return by investing in debt securities such as investment-grade fixed income securities or unrated securities.

#### Investment in Partnership

The Foundation owns approximately 10% of a partnership which was a contributed asset. For the years ended June 30, 2024 and 2023 the investment is recorded at the lower of cost or net realizable value. Management has evaluated this investment for impairment. Evidence considered in this assessment includes the reason for impairment, the severity and duration of the impairment, market conditions, changes in value subsequent to year end, forecasted performance of the investee, and the general market condition in the geographic area or industry the investee operates in. During the year ended June 30, 2024, the Foundation received a gift of stock in the partnership. The gift was valued at \$16,889. There was no impairment recorded for June 30, 2024, and 2023.

#### Note 5. Fair Value of Financial Assets and Financial Liabilities

The hierarchy prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). The levels of hierarchy are described below:

*Level 1* – consists of financial instruments whose value is based on quoted market prices for identical financial instruments in an active market.

*Level 2* – consists of financial instruments that are valued using models or other valuation methodologies. These models use inputs that are observable either directly or indirectly; Level 2 inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for similar assets or liabilities in markets that are not active, (iii) pricing models whose inputs are observable for substantially the full term of the financial instrument and (iv) pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 5. Fair Value of Financial Assets and Financial Liabilities (continued)

*Level 3* – consists of financial instruments whose values are determined using pricing models that utilize significant inputs that are primarily unobservable, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Management's assessment of the significance of a particular input to the fair value measurement requires judgment that may affect the valuation of financial instruments and their classification within the fair value hierarchy. As required by FASB ASC 820, financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The financial instruments that are accounted for at fair value on a recurring basis are presented in the table below:

June 30, 2024	Total	Level 1	Level 2	Level 3
Recurring fair value measurement:				
Money market funds	\$ 103,632	\$ 103,632	\$ -	\$ -
Equities	719,198	719,198	-	-
Mutual funds	25,477,894	25,477,894	-	-
Alternative investments <sup>(a)</sup>	11,931,634	-	-	-
	<u>38,232,358</u>	<u>26,300,724</u>	<u>-</u>	<u>-</u>
Nonrecurring fair value measurement:				
Investment in partnership <sup>(b)</sup>	1,133,309	-	-	-
Total	<u>\$ 39,365,667</u>	<u>\$ 26,300,724</u>	<u>\$ -</u>	<u>\$ -</u>
Recurring fair value measurement:				
Split-interest agreements:				
Charitable gift annuities	\$ 50,385	\$ 50,385	\$ -	\$ -
Beneficial interest in unitrust - net	707,376	-	-	707,376
Total	<u>\$ 757,761</u>	<u>\$ 50,385</u>	<u>\$ -</u>	<u>\$ 707,376</u>
Recurring fair value measurement:				
Liability on split interest agreements	\$ 16,322	\$ -	\$ 16,322	\$ -
Total	<u>\$ 16,322</u>	<u>\$ -</u>	<u>\$ 16,322</u>	<u>\$ -</u>

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 5. Fair Value of Financial Assets and Financial Liabilities (continued)

June 30, 2023	Total	Level 1	Level 2	Level 3
Recurring fair value measurement:				
Money market funds	\$ 83,405	\$ 83,405	\$ -	\$ -
Mutual funds	28,520,792	28,520,792		
Alternative investments <sup>(a)</sup>	5,514,605	-	-	-
	<u>34,118,802</u>	<u>28,604,197</u>	<u>-</u>	<u>-</u>
Nonrecurring fair value measurement:				
Investment in partnership <sup>(b)</sup>	1,116,500	-	-	-
Total	<u>\$ 35,235,302</u>	<u>\$ 28,604,197</u>	<u>\$ -</u>	<u>\$ -</u>
Recurring fair value measurement:				
Split-interest agreements:				
Charitable gift annuities	\$ 44,371	\$ 44,371	\$ -	\$ -
Beneficial interest in unitrust - net	675,605	-	-	675,605
Total	<u>\$ 719,976</u>	<u>\$ 44,371</u>	<u>\$ -</u>	<u>\$ 675,605</u>
Recurring fair value measurement:				
Liability on split interest agreements	\$ 17,354	\$ -	\$ 17,354	\$ -
Total	<u>\$ 17,354</u>	<u>\$ -</u>	<u>\$ 17,354</u>	<u>\$ -</u>

The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

The following table summarizes information about recurring fair value measurements that use significant unobservable inputs (Level 3 measurements) for the years ended June 30, 2024 and 2023:

	Beneficial Interest in Unitrust
Balance as of June 30, 2022	\$ 651,073
Change in Unitrust	<u>24,532</u>
Balance as of June 30, 2023	\$ 675,605
Change in Unitrust	<u>31,771</u>
Balance as of June 30, 2024	<u>\$ 707,376</u>

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 5. Fair Value of Financial Assets and Financial Liabilities (continued)

The following methods and assumptions were used by management in estimating the fair value disclosures for financial instruments:

Cash, cash equivalents, short-term unconditional promises to give, and notes payable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Short-term and permanent investments: The fair values of investments are based on quoted market prices for those or similar investments.

Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting expected future cash flows using a rate of return based on the yield of average daily treasury curve rates at June 30 of each year.

Beneficial interest in unitrust: The fair value for the beneficial interest in a unitrust is measured using the fair value of the assets held in the trust as reported by the trustee as of June 30, 2024 and 2023. The Foundation considers the measurement of its beneficial interest in the trust to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, the Foundation does not have the ability to direct the trustee to redeem them.

Management relies on third party fair value measurement valuation, including those for Level 3 recurring and nonrecurring measurements. The Foundation's Board, finance committee and management assess and evaluate the reasonableness of the fair value measurements and at least annually, management determines if the current valuation techniques used in fair value measurements are still appropriate.

### Note 6. Leases

Lease costs for operating leases were \$20,034 and \$19,454 for the years ended June 30, 2024, and 2023, respectively. Variable lease costs were \$0 for the years ended June 30, 2024, and 2023, respectively.

The Company made cash payments for operating leases in the amount of \$20,034 and \$19,454 for the years ended June 30, 2024, and 2023.

Other information related to leases as of June 30, 2024, is as follows:

	<u>2024</u>
Weighted average remaining lease term - operating leases (years)	2.92
Weighted average remaining discount rate - operating leases	4.62%

## OREGON TECH FOUNDATION

### Notes to Financial Statements

June 30, 2024 and 2023

#### Note 6. Leases (continued)

Future minimum lease payments under non-cancelable operating leases as of June 30, are as follows

2025	\$	19,877
2026		19,403
2027		19,122
Thereafter		-
	\$	<u>58,402</u>
Operating lease liability - current portion	\$	19,877
Operating lease liability - net of current portion		<u>38,525</u>
	\$	<u>58,402</u>

#### Note 7. Endowment and Quasi-Endowment Funds

The Foundation's endowment pool includes contributed funds to be maintained in perpetuity, donor-restricted funds contributed for a specific purpose or term, and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Board Interpretation of Relevant Law

The Board of the Foundation has interpreted Oregon enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the permanent preservation of the historic dollar value of gifts to the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets to be held in perpetuity is classified as net assets with time and/or purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the fund, 2) the purposes of the Foundation and the donor-restricted endowment fund, 3) general economic conditions, 4) the possible effect of inflation and deflation, 5) the expected total return from income and the appreciation of investments, 6) other resources of the Foundation, 7) the investment policies of the Foundation.



# **OREGON TECH FOUNDATION**

## **Notes to Financial Statements**

**June 30, 2024 and 2023**

### **Note 7. Endowment and Quasi-Endowment Funds (continued)**

#### **Investment Return Objectives, Risk Parameters and Strategies**

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce a minimum average return of Consumer Price Index plus 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

#### **Spending Policy**

The Foundation has a policy of appropriating for distribution each year 4% of its restricted fund's average fair value based on a trailing 16-quarter moving average. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation.

Split-interest agreement funds are held in separate accounts and do not operate under the return objectives and risk parameters or the strategies employed for achieving endowment objectives and therefore, are not included in the following tables.

The Board has designated \$8,606,776 and \$8,112,543 at June 30, 2024 and 2023 of net assets without donor restrictions as a general endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 7. Endowment and Quasi-Endowment Funds (continued)

#### Spending Policy

Endowments by net asset classification by type of fund, are as follows at June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 19,424,158	\$ 19,424,158
Board-designated endowment funds	8,606,776	-	8,606,776
	<u>\$ 8,606,776</u>	<u>\$ 19,424,158</u>	<u>\$ 28,030,934</u>

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 17,187,277	\$ 17,187,277
Board-designated endowment funds	8,112,543	-	8,112,543
	<u>\$ 8,112,543</u>	<u>\$ 17,187,277</u>	<u>\$ 25,299,820</u>

Changes in endowments by net asset classification for the fiscal years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, end of the year, June 30, 2022	7,812,177	16,034,218	23,846,395
Investment return:			
Interest and dividends	309,872	665,877	975,749
Realized and unrealized gains/(losses)	311,323	570,413	881,736
Investment fees	(17,744)	(38,315)	(56,059)
Contributions and other income	488	514,324	514,812
Appropriation of endowment assets for expenditure	<u>(303,573)</u>	<u>(559,240)</u>	<u>(862,813)</u>
Endowment net assets, end of the year, June 30, 2023	\$ 8,112,543	\$ 17,187,277	\$ 25,299,820
Investment return:			
Interest and dividends	253,703	566,076	819,779
Realized and unrealized gains/(losses)	564,854	1,424,740	1,989,594
Investment fees	(20,754)	(91,707)	(112,461)
Contributions and other income	300	859,306	859,606
Appropriation of endowment assets for expenditure	<u>(303,870)</u>	<u>(521,534)</u>	<u>(825,404)</u>
Endowment net assets, end of the year, June 30, 2024	<u>\$ 8,606,776</u>	<u>\$ 19,424,158</u>	<u>\$ 28,030,934</u>

## **OREGON TECH FOUNDATION**

### **Notes to Financial Statements**

**June 30, 2024 and 2023**

#### **Note 7. Endowment and Quasi-Endowment Funds (continued)**

##### **Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater endowments). Deficiencies of this nature are reported in net assets with donor restrictions. At June 30, 2024 the Foundation had 6 individual donor-restricted endowments that were underwater that totaled \$2,884. The individual deficits ranged from \$30 to \$1,531. At June 30, 2023, the Foundation had 16 individual donor-restricted endowments that were underwater that totaled \$21,820. The individual deficits ranged from \$78 to \$3,823.

#### **Note 8. Split-Interest Agreements**

##### **Assets of Unitrust Agreements**

These assets consist of cash and other assets received under irrevocable charitable remainder trusts of which the Foundation is trustee. Assets received under these agreements are recorded at their estimated fair value when received. Upon the death of the beneficiaries, all remaining assets of the trust are used to fund the specified endowment. Remainder trust obligations are an actuarially determined liability recorded by the Foundation which represents the present value of estimated future payments to beneficiaries, discounted at applicable interest rates.

##### **Assets of Gift Annuity Funds (CGA)**

The gift annuity funds represent the fair value of assets held by the Foundation as gifts from which a lifetime annuity is paid to the donor or other beneficiary(s) names. Upon termination of the annuity obligation, the principal becomes available for the Foundation's use in accordance with donor restrictions, or if no restrictions are imposed by the donor, for the Foundation's unrestricted use. The liability for the present value of the future annuity payments is determined annually based on the ages and life expectancies of the donors as of the statement of financial position date, discounted at applicable interest rates.

##### **Beneficial Interest in Remainder Trusts**

These beneficial interests represent the estimated net present value of the Foundation's interest in a charitable remainder trust held by a third-party. The net present value of the beneficial interest was determined using the applicable actuarial table for a single life Unitrust. On an annual basis, the Foundation re-values the beneficial interest based on applicable mortality tables and discount rates.

##### **Liability to Beneficiaries of Split-Interest Agreements**

These liabilities represent the present value of the estimated future cash flows to be distributed to the unitrust and gift annuity income beneficiaries over their expected lives. At June 30, 2024 and 2023, the present values were calculated using an interest rate of 5.6% and 4.4%, respectively.

Charitable gift annuity contributions included in contribution revenue were \$0 for the years ended June 30, 2024 and 2023.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 8. Split-Interest Agreements (continued)

The fair value of assets held in trust and the corresponding liability to the donors, are as follows at June 30:

	2024		
	Fair Market Value	Liability	Net
Charitable gift annuities	\$ 50,385	\$ (16,322)	\$ 34,063
Beneficial interest in remainder trust	707,376	-	707,376
	<u>\$ 757,761</u>	<u>\$ (16,322)</u>	<u>\$ 741,439</u>

	2023		
	Fair Market Value	Liability	Net
Charitable gift annuities	\$ 44,371	\$ (17,354)	\$ 27,017
Beneficial interest in remainder trust	675,605	-	675,605
	<u>\$ 719,976</u>	<u>\$ (17,354)</u>	<u>\$ 702,622</u>

### Note 9. Unconditional Promises to Give

Unconditional promises to give are as follows at June 30:

	2024	2023
Promises to give expected to be collected in less than one year	\$ 893,954	\$ 956,200
Promises to give expected to be collected in one to five years	543,018	289,050
Total unconditional promises to give	1,436,972	1,245,250
Less allowance for uncollectible promises	-	(7,866)
Less present value discount of long-term promises	(24,884)	(14,101)
Net unconditional promises to give	<u>\$ 1,412,088</u>	<u>\$ 1,223,283</u>

Discount rates ranging from 4.33% to 5.09% at June 30, 2024 and rates of 4.13% to 5.40% at June 30, 2023 were used for contributions due in future periods.

Pledges from three donors made up approximately 61% and 62% of total pledges at June 30, 2024 and 2023, respectively.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 10. Accounts Receivable

Accounts receivable consist of the following at June 30:

	2024	2023
Accounts receivable	\$ 3,049	\$ -
Accounts receivable - OT	6,084	2,741
Total accounts receivable	<u>\$ 9,133</u>	<u>\$ 2,741</u>

### Note 11. Other Assets

Other assets consist of the following at June 30:

	2024	2023
Land	\$ 35,000	\$ 35,000
House	-	170,000
Cash surrender value of life insurance	1,167	2,779
Non-depreciable collections	149,380	149,380
Total other assets	<u>\$ 185,547</u>	<u>\$ 357,159</u>

The land was donated in 2006 and is held for investment with donor-imposed restrictions on the use of sale proceeds.

The house was donated in 2011 and is held for investment with donor-imposed restrictions. The donor was entitled to full use of the home during their natural lifetime and paid maintenance, taxes, and other expenses related to the house at that time. The donor passed away the last week of the fiscal year ended June 30, 2023, and the house was sold May 2024.

Collections consist of assets displayed in the Shaw Historical Library including artwork, furniture, maps, books, and photos.

The Foundation is the owner and beneficiary of one life insurance policy that was gifted.

### Note 12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at June 30:

	2024	2023
Accounts payable	\$ 34,987	\$ 54,501
Accounts payable - OT	130,079	1,305,602
Income tax payable	150	150
Total accounts payable and accrued expenses	<u>\$ 165,216</u>	<u>\$ 1,360,253</u>

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 13. Funds Held for Distribution

The Foundation holds funds on behalf of other not-for-profit organizations. These Agency endowment assets are held for the purpose of distributing those funds to the intended beneficiaries, or for later transfer to another qualified organization. The Foundation accounts for Agency endowment assets by recording an offsetting liability. The liability is reflected under Funds Held for Distribution on the accompanying Statements of Financial Position. Agency endowment assets are invested alongside the Foundation assets and are not held in separate accounts. Earnings of these Agency endowment assets are accounted for according to the applicable memorandums of understanding.

Changes in the funds held for distribution are as follows for the years-ended June 30:

	2024	2023
Balance, beginning of year	\$ 1,518,018	\$ 1,137,279
Additional deposits	301,053	637,498
Distributions	(321,710)	(301,754)
Change in value	68,758	44,995
Balance, end of year	<u>\$ 1,566,119</u>	<u>\$ 1,518,018</u>

### Note 14. Net Assets

Net assets without donor restriction consist of the following at June 30:

	2024	2023
Unrestricted	\$ 5,885,580	\$ 4,936,349
Board designated	<u>8,606,776</u>	<u>8,112,543</u>
Total net assets without donor restrictions	<u>\$ 14,492,356</u>	<u>\$ 13,048,892</u>

Net assets with donor restrictions are restricted primarily for scholarships, departmental programs and activities, including capital projects. Charitable gift annuities and remainder trusts may also be donor restricted. These assets are subject to donor-imposed stipulations that may be or will be met either by the Foundation satisfying the purpose restriction and/or the passage of time.

# OREGON TECH FOUNDATION

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 14. Net Assets (continued)

	2024	2023
Net assets with time and/or purpose restrictions were available for the following purposes at June 30:		
Scholarships	\$ 9,116,762	\$ 7,632,816
Academics	3,180,088	2,868,714
Athletics	366,671	371,329
Capital	508,342	351,903
Student clubs	83,544	81,318
Operations	46,109	33,558
Shaw Library	373,982	393,082
Other	645,432	626,268
Total net assets with time or purpose restrictions	<u>14,320,930</u>	<u>12,358,988</u>
Net assets to be held in perpetuity with the following purposes at June 30:		
Scholarships	11,724,047	10,917,642
Academics	141,559	141,521
Athletics	145,405	140,655
Shaw Library	413,949	413,949
Other	292,339	244,468
Split-interest agreements	745,821	728,029
Total net assets to be held in perpetuity	<u>13,463,120</u>	<u>12,586,264</u>
Total net assets with donor restrictions	<u><u>\$ 27,784,050</u></u>	<u><u>\$ 24,945,252</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors for the years ended June 30:

	2024	2023
Scholarships	\$ 1,210,325	\$ 1,050,498
Academics	734,240	430,667
Athletics	238,413	267,531
Capital	2,006	603,259
Student clubs	49,105	34,586
Shaw Library	-	31,614
Other	258,500	233,160
Total net assets released from restrictions	<u><u>\$ 2,492,590</u></u>	<u><u>\$ 2,651,315</u></u>

## OREGON TECH FOUNDATION

### Notes to Financial Statements

June 30, 2024 and 2023

#### Note 15. Income Tax

The Foundation's partnership interest is unrelated business income and is therefore subject to federal and state income taxes. The provisions for income taxes consisted of the following components at June 30:

	2024	2023
Current income tax expense	\$ 150	\$ 150
Net tax expense	<u>\$ 150</u>	<u>\$ 150</u>

The federal tax rate for the Foundation beginning January 1, 2018 is a flat rate of 21% of taxable income. Prior years had an effective tax rate that ranged from 15% to 38% of taxable income. The Foundation's Oregon tax rates are 6.6% of Oregon taxable income up to \$1,000,000 plus 7.6% of the Oregon taxable income over \$1,000,000 with a minimum of \$150. The Foundation's California tax rate is 21% of California taxable income effective January 1, 2018. The annual registration renewal fee to the Attorney General of California is \$150 per year.

At June 30, 2024, and 2023, the Foundation had available net operating loss carry-forwards of \$727,771 and \$1,267,502 respectively, from unrelated business income subject to income tax. The net operating losses will expire in various years from June 30, 2024 through June 30, 2038.

#### Deferred Tax Asset

The net operating loss carry-forwards give rise to a deferred tax asset of \$556,578 and \$292,642, which are reduced by valuation allowances of \$556,578 and \$292,642 as of June 30, 2024 and 2023, respectively. No deferred tax asset was recorded as of June 30, 2024 and 2023.

#### Note 16. Concentrations of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash, accounts receivable and investments. The Foundation maintains cash balances at one financial institution. The institution is insured up to \$250,000 by the Federal Deposit Insurance Corporation. For the fiscal years ended June 30, 2024 and 2023, the Foundation was under insured at various times during the year. It was underinsured at the year end, June 30, 2024 and 2022, in the amount of \$2,175,382 and \$3,603,372, respectively. Accounts receivable are generally from miscellaneous activities or from the University and are carried at net realizable value and are not collateralized.

The Foundation also invests funds in professionally managed mutual funds that contain various types of marketable securities. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances, and the amounts reported in the financial statements.



## **OREGON TECH FOUNDATION**

### **Notes to Financial Statements**

**June 30, 2024 and 2023**

#### **Note 16. Concentrations of Credit Risk (continued)**

To minimize risk, the Foundation's cash accounts are placed with high credit quality financial institutions and the Foundation's investment portfolio is diversified among a variety of asset categories. The portfolio is designed to mitigate the concentration of risk. The Foundation regularly evaluates its depository arrangements and investment strategies.

#### **Note 17. Related Party**

OT is a related party of the Foundation. The Foundation provides direct support to OT for various program expenses. During 2024 and 2023, the Foundation provided program expense support to OT of \$3,863,664 and \$3,004,821, respectively.

All employees of the Foundation are employees of OT. The Foundation reimburses OT for those employees. Salary expense for years ended June 30, 2024 and 2023 was \$475,316 and \$488,706, respectively. OT contributes a portion of this expense; for the years ended June 30, 2024 and 2023 the contributed portion was \$149,279 and \$143,669, respectively.

Board members and employees of the Foundation and of OT are related parties of the Foundation. This group often makes and is expected to make contributions or pledges to the Foundation since they are leading the way for the community. All donations are treated the same as non-related parties.

#### **Note 18. Subsequent Events**

The Foundation has evaluated subsequent events for disclosure and recognition through September 17, 2024, the date on which these financial statements were available to be issued.

On July 19, 2024, the Foundation received communications from the Partnership of which it owns approximately 10% of the stock, that the partnership announced the closure of its operations. Following the announcement, On August 22, 2024, the Partnership announced plans to sell the company instead. Management considered the effects the pending sale of the Company and concluded the impact on its investment are undeterminable.



## Board of Directors 2024-2025

<b>OFFICERS</b>	
Alan Polaski, President	Intel Corporation, retired
Christine Mangan '80, Vice President	Mangan Consulting, Inc. (Pharmaceuticals)
Don Johnson, Treasurer	Educator, retired
Jim Blair '70, Secretary	Integrated Risk Management Solutions
<b>DIRECTORS</b>	
Parke Blundon	Merrill Lynch, CFA
Ann Cavanaugh	SmithBates MarComm Solutions, retired
Sarah Dammen	Portland General Electric
James De Hoog '98	Arctic Engineering
Bill DeWitt	PMDJ Group, Inc.
Jon Ekstrom	Radiology Associates, P.C.
Gerald Freschi	Wells Fargo, retired
Jim Hackett	Alliance Door Products, retired
Steven Hyde	ESCO Corporation
Bob Kingzett	Wendt Family Foundation, retired
James Monroe	World Financial Group
Robert Neathamer	Neathamer Surveying, Inc.
Alan Parks	Poplars Ranch, Owner
Doug Pratt	Webb Wilson Insurance Agency, retired
Tim Quincy '89	Bureau of Land Management, retired
Darrel Samuels	Teacher, retired
Diedra Thompson	Intel, retired
Rick Whitlock	Attorney
Dan Withers	Communications Executive, retired
Donald Young	JELD-Wen, Inc., retired
Luke Breazeal	Oregon Imaging Centers

## Board of Directors Roster by Committees

### 2024-25

Executive Committee	Title	Office Phone	Cell Phone	Home Phone	Email	Officer Term Expiration
Alan Polaski	<i>President</i>		(503) 702-6220	(503) 524-4016	pinemartin22@gmail.com	6/30/2028
Christine Mangan '80	<i>Vice President, Co-Chair COD</i>		(415) 606-6209		cmangan@mmrx.org	6/30/2026
Don Johnson	<i>Treasurer, Chair Finance Committee</i>	(541) 205-3623	(608) 213-9990		johnson035722@gmail.com	6/30/2027
Jim Blair '70	<i>Secretary, Co-Chair COD</i>	(303) 795-9754	(303) 886-8450	(303) 795-9754	jeblair@msn.com	6/30/2026
Dee Thompson	<i>Past President</i>			(541) 588-6029	thompson17100@bendbroadband.com	6/30/2026
Jim Hackett	<i>Chair, Development Committee</i>		(541) 292-3614		jrockett51@gmail.com	6/30/2025
Rick Whitlock	<i>Chair, Scholarship Committee</i>	(541) 892-7898		(541) 884-3507	rwhitlock0252@gmail.com	6/30/2026
Dr. Ken Fincher, Ex-Officio	<i>Executive Director, Oregon Tech Foundation</i>	(541) 885-1118	(512) 568-4208		ken.finch@oit.edu	
Dr. Nagi Naganathan, Ex-Officio	<i>President, Oregon Tech</i>	(541) 885-1103			nagi.naganathan@oit.edu	-
<b>Subcommittees</b>						
	<b>Director Name (Spouse Name)</b>					
<b>Committee on Directors</b>						<b>Director Term Expiration</b>
<b>Co-Chair</b>	Jim Blair '70, Chair ( <i>Adoree</i> )	(303) 795-9754	(303) 886-8450	(303) 795-9754	jeblair@msn.com	6/30/2026
	Alan Polaski, ( <i>Leslie</i> )		(503) 702-6220	(503) 524-4016	pinemartin22@gmail.com	6/30/2028
	Robert Neathamer ( <i>Sue</i> )	(541) 732-2869	(541) 944-2410	(541) 779-9310	bob@neathamer.com	6/30/2026
	James De Hoog '98 ( <i>Anna</i> )	(541) 601-9469			polarbear.JD20@gmail.com	6/30/2028
	Ann Cavanaugh ( <i>Dan</i> )		(541) 891-7460		ann@smithbates.com	6/30/2028
<b>Co-Chair</b>	Christine Mangan '80 (Co-Chair)		(415) 606-6209		cmangan@mmrx.org	6/30/2026
<b>Development Committee</b>						
<b>Chair</b>	Jim Hackett, Chair ( <i>Lynn</i> )		(541) 292-3614		jrockett51@gmail.com	6/30/2025
	Sarah Dammen		(971) 322-6030		SarahDammen@gmail.com	6/30/2025
	Bill DeWitt ( <i>Sheryl</i> )		(360) 584-2674	(360) 556 3467	bcdewitt@comcast.net	6/30/2028
	Dee Thompson (Tom) '24			(541) 588-6029	thompson17100@bendbroadband.com	6/30/2026
	James Monroe ( <i>Breanna</i> )	(541) 708-3688			opitlr@gmail.com	6/30/2025
	Parke Blundon ( <i>Lisa</i> )	(541) 685-0606			parketele@gmail.com	6/30/2028
	Bob Kingzett ( <i>Linda</i> )		(541) 891-8470	(541) 205-4325	bobk.wendtff.org	6/30/2026
	Dan Withers ( <i>Roxane</i> )			(360) 437-0125	dwithers@rodaxwireless.com	6/30/2026
<b>Finance Committee</b>						
<b>Chair</b>	Don Johnson, Chair ( <i>Cindy</i> )	(541) 205-3623	(608) 213-9990		johnson035722@gmail.com	6/30/2027
	Donald Young		(541) 331-2245	(541) 882-2245	dony1425@gmail.com	6/30/2026
	Gerald Freschi ( <i>Susan</i> )			(541) 884-6279	freschigj@aol.com	6/30/2026
	Parke Blundon ( <i>Lisa</i> )	(541) 685-0606			parketele@gmail.com	6/30/2025
	Luke Breazeal ( <i>Julie</i> )	(541) 334-7572	(541) 915-8586		breazeal3@gmail.com	6/30/2028
	Mary Lou Nicholson, Oregon Tech Foundation	(541) 851-5451			marylou.nicholson@oit.edu	-
<b>Scholarship Committee</b>						
<b>Chair</b>	Rick Whitlock		(541) 892-7898		rwhitlock0252@gmail.com	6/30/2026
	Steven Hyde ( <i>Gwynne</i> )		(541) 760-8580		stevenhyde24@gmail.com	6/30/2025
	Darrel Samuels ( <i>Diana</i> )		(541) 274-0161	(541) 850-5832	dsamuels@charter.net	6/30/2025
	Doug Pratt ( <i>Nancy</i> )			(541) 882-5338	dpratt1@gmail.com	6/30/2025
	Alan Parks ( <i>Laura</i> ) '72&'74		(541) 480-6294		alan@poplarsranch.com	6/30/2028
	Christine Mangan '80		(415) 606-6209		cmangan@mmrx.org	6/30/2026

# Oregon Tech Foundation

## Board Member



### KEY ROLES AND RESPONSIBILITIES

1. Add value to the Foundation and to OIT by meeting a need of OIT and/or the Foundation
  2. Be active on one or more committees
  3. Attend committee and board meetings
  4. Lead by example
  5. Serve as an OIT ambassador in the community
- 

- 1. Add value to the Foundation and to OIT by meeting a need of OIT and/or the Foundation**
  - Skills (technical, fundraising, leadership, etc.)
  - Expertise in your Industry
  - Connections
- 2. Be active on one or more committees**
  - Executive Committee
  - Committee on Directors
  - Finance
  - Development & Alumni
  - Scholarship
  - Other/Ad Hoc
- 3. Make time to attend committee and board meetings**
  - Commit time and energy
  - Be active in meetings
  - Commit to the Foundations and its schedules
  - Participate in person or via teleconference
  - Engage in Feedback
- 4. Lead by example**
  - Donate and/or obtain donations from others
  - Contribute to all Foundation fundraising drives
  - Consider serving as an officer
- 5. Be proud of OIT and serve as an OIT ambassador in the community**

# Oregon Tech Foundation

## Board Member



### KEY DISTINGUISHING CHARACTERISTICS

1. OIT Connection
  2. Philanthropy
  3. Influence/Networking
  4. Special Skills and Attributes
- 

#### 1. OIT CONNECTION

- OIT Alumni
- OIT Campus Communities
- Presence at OIT and OIT Events

#### 2. PHILANTHROPY

- *Giving Capacity*
  - Annual Gift Capacity
  - Lifetime Gift Capacity
- *Generous Gift History*
- *Contribution Leverage*
  - Referenced External Gift
  - Time/Other Donation

#### 3. INFLUENCE/NETWORKING

- Community Connections
- State and National Government Connections
- Corporate & Key Industry Relations
- International

#### 4. SPECIAL SKILLS & ATTRIBUTES

- Relevant Industry Employment
- Result Oriented ("Hard Charging")
- Accomplished Leadership & Management
- Fund-Raising
- 'Green' Technologies



*Building a Great University:  
The Oregon Institute of Technology*

**Emeritus Director Criteria and Benefits**

Approved December 3, 1999

Emeritus criteria are: “must have served at least two full four year terms, have been an officer or committee chair, and attended most meetings.”

Emeritus benefits to include: invitations to campus events, listing in Foundation publications, such as the annual report, as an emeritus director, free campus parking, and receipt of campus publications, such as the *President's Report* and *Connections*.

**Binder Number:** EPP5798940

**Binder Type:** RENEWAL

**Binder Term:** from 2/11/2024 to 2/11/2025



THIS CERTIFIES THAT, pending the issuance of a Policy and/or endorsements in the form described below, **GREAT AMERICAN INSURANCE CO.,** on behalf of itself or its subsidiaries, is binding coverage described as follows:

1. **INSURED:** OREGON TECH FOUNDATION  
3201 CAMPUS DRIVE  
KLAMATH FALLS, OR 97601
2. **LIMIT OF LIABILITY:** (Defense Costs Outside):  
\$1,000,000 Aggregate Limit of Liability for the Policy Period for all Claims other than Employment Practices Claims and Fiduciary Claims  
Shared Aggregate Limit of Liability for the Policy Period for all Employment Practices Claims  
Not Purchased Aggregate Limit of Liability for the Policy Period for all Fiduciary Claims
3. **RETENTIONS:**  
\$0 Insuring Agreement A: Each Claim  
\$2,500 Insuring Agreement B/C: Each Claim
4. **PREMIUM:** \$ 2,817  
Act of Terrorism Premium \$ 0.00
5. **POLICY FORM / TYPE:** D16100-G - Non-Profit Executive Protection and Employment Practices
6. **ENDORSEMENTS:** As outlined in c No. **AR5798940** dated **1/23/2024**, and modifications as listed below (if any):  
None
7. **OUTSTANDING CONDITIONS:** Unfulfilled conditions as outlined in c No. **AR5798940** dated **1/23/2024**, and additions/modifications as listed below (if any):  
None

Great American Insurance Company reserves the right to modify the final Policy terms and conditions upon underwriting review of any information received. It is expressly stipulated that except as otherwise provided herein the coverage provided by this Binder is subject to all of the terms and conditions of the Policy regularly issued by the GREAT AMERICAN INSURANCE CO. in the state in which the entity referred to in Item 1 of this Binder is located, which Policy is hereby made a part hereof. This Binder shall terminate automatically, and will be replaced by the issuance of a Policy and/or Endorsements by GREAT AMERICAN INSURANCE CO..

If subsequent to the date of the quotation No **AR5798940**, but prior to the effective date of the Binder (see **Binder Term** above) there is a material adverse change in the condition of the Proposed Insured or an event which could materially change the underwriting evaluation of the Proposed Insured, then, at GREAT AMERICAN INSURANCE CO. option, this Binder may be rescinded and declared null and void.

**GREAT AMERICAN INSURANCE CO.**

BY A handwritten signature in cursive script, appearing to read "Jeannie G. Currie".

Jeannie G. Currie  
NonProfit Underwriter  
(847) 309-5793  
jcurrie@gaig.com

Date: February 13, 2024  
Submitted By: GREAT BASIN INSURANCE  
2300 MADISON ST  
KLAMATH FALLS, OR 97603-6950  
Commission 17.5%



*Building a Great University:  
The Oregon Institute of Technology*

## **Conflict of Interest Policy: Some Background Information**

### **Why does the Oregon Tech Foundation have a Conflict of Interest policy?**

The Oregon Tech Foundation has a policy to assure our donors, those with whom we do business, and the general public that our business decisions are not based on self-dealing, or have an appearance of insider advantage.

The policy also helps educate the directors of the Oregon Tech Foundation as to how to handle real or potential conflicts of interest, and to heighten directors' awareness—collectively and individually—to the appearance of conflict of interest.

### **What happens if there should be a conflict of interest?**

The policy does not prohibit business relationships between Oregon Tech Foundation directors (and/or their families) with OIT or with the Oregon Tech Foundation. It does ask that these relationships be open (to other board directors' knowledge) by being properly disclosed.

Business relationships do not prevent directors from board membership. The goal of the policy is to protect the reputation of the board and individual directors. Directors will be asked not to participate in decisions from which they might profit.

### **For further information . . .**

Directors wanting to know how best to handle specific situations should contact the executive director. S/he is charged with helping to assure compliance and to alerting the board to any potential problems or issues.





## **CONFLICT OF INTEREST POLICY**

Approved: December 14, 2001

### **I. Statement of Purpose**

The purpose of this policy is to assure that the programs, operations and activities of the Oregon Tech Foundation (OTF) are conducted in a manner which merits continuous public trust and confidence and which avoids actual or perceived conflicts of interest. This policy is applicable to all directors, officers, ex-officio members, employees and agents of OTF, collectively referred to as "OTF Representatives." The conflicts of interest regulated by this policy include all situations in which an OTF Representative has a personal economic interest in the decisions or actions of OTF or the Oregon Institute of Technology. All OTF Representatives are expected to carry out their duties and responsibilities to OTF without consideration of their individual economic interests and without deriving individual economic benefit from their actions. This policy shall be interpreted and applied in a manner which insures that all decisions and actions of OTF Representatives are motivated solely by a desire to promote the best interest of OTF, Oregon Institute of Technology and the public welfare, and not by self-interest.

### **II. Fiduciary Responsibilities**

The men and women who serve as OTF Representatives are often qualified for their duties and responsibilities by their service to other organizations and institutions to which they also owe fiduciary responsibilities. In addition, all OTF Representatives have individual interests which may occasionally be affected by the decision and actions of OTF. Conflicts of interest should be regarded as normal occurrences for persons with wide ranging responsibilities. This policy is intended to provide of the orderly disclosure and regulation of such conflicts and to avoid any appearance that conflicting interests have influenced the decisions and the actions of OTF. Personal business interests and responsibilities to other organizations should not be an impediment to service as an OTF Representative.

### **III. Disclosure**

OTF Representatives should disclose all conflicts of interest to OTF, or its Executive Director, immediately as they occur or when they first become known. Uncertainties as

to whether information requires disclosure under this policy may be resolved by consultation with the Executive Director of OTF who may, in turn, consult with legal counsel, the Executive Committee or the Board of Trustees of OTF. Such disclosures may be made in confidence at the discretion of the disclosing party, and confidential information shall not be disclosed by OTF to third parties except upon a determination, following consultation with the disclosing party, that compelling institutional reasons necessitate disclosure to third parties.

#### **IV. Abstention**

OTF Representatives shall abstain from participating in decisions or actions or the consideration of decisions or actions in which they have a conflict of interest and they shall not be present for the discussion or voting or any such matters unless expressly requested to provide information or interpretation. In the event that a conflict of interest should be discovered after action has taken on a matter by a disqualified participant, the action shall be reconsidered by the acting body without the participation of the person having the conflict of interest.

#### **V. Gifts**

OTF Representatives should refrain from accepting personal gifts, benefits or services from third parties who transact business with OTF. This restriction shall not apply to gifts attributable primarily to personal relationships unrelated to OTF, meals, refreshments and entertainment, gifts related to special events such as promotions, weddings, birthdays and similar occasions, or valued at \$75 or less which are not provided with the expectation of special favors. Any offers of gifts to OTF Representatives by third parties seeking special benefits or privileges shall be reported to OTF.

#### **VI. Certification**

Each OTF Representative shall be provided with a copy of this policy and shall certify to OTF, at least annually, on a form to be provided by the Executive Director, that he or she has read the policy, and on which he or she discloses any conflicts of interest or prohibited gift.

#### **VII. Definitions**

The following definitions shall be used in interpreting and applying this policy:

Conflict of interest

A conflict of interest shall mean any situation which the OTF Representative or his or her family members or entities in which any of them have a substantial business interest are engaged in relationships or transactions with OTF from which they or their family members might derive individual benefit or in which their decisions or actions on behalf of OTF might appear to be motivated by self-interest.

Substantial business interest

A substantial business interest shall be any business activity or entity in which an OTF Representative or a member of his or her family interest is an officer, director, employee, trustee, partner, controlling stockholder or member, or separately or collectively the beneficial owner of more than 5% of the voting or equity interest.

Family member

Family members shall include the spouse, parents, siblings, children of the OTF Representative, or any other person who resides in the same household as the OTF Representative as a member of his or her family.

# OREGON INSTITUTE OF TECHNOLOGY

## Property Naming

### OIT-50-050

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On occasion, the Oregon Institute of Technology seeks to recognize the efforts and contributions of individuals by the naming of buildings, structures, interior spaces, and landscape elements. This policy establishes a uniform and consistent procedure to gain approval.

Under OAR 580-50-0025, the President is authorized to name buildings or structures, but may not do so after a living person unless the Oregon State Board of Higher Education makes an exception. The Board's legal staff has defined "structure" to include large outdoor spaces such as courtyards. The permissible exceptions are for a donor who contributes a substantial share of the cost of construction or for other unusually meritorious reasons. Those honored with such a naming might be:

- Staff or faculty members, or persons not connected to the Institute who have contributed significantly to the social, academic, scholarly, research, or political life of the Institute.
- Persons not connected to the Institute who have contributed to its growth and development.
- An illustrious alumni member.
- An outstanding states-person, educator, or scholar.

The naming, or renaming, of a building or structure is considered a major event in the history of the institution requiring due consideration and consultation. The President of OIT, by this policy, also is authorized to name parts of buildings, interior spaces (classrooms, atria, conference room, laboratories, seminar rooms, lounges, offices, etc.) and landscape elements (plazas, quadrangles, open spaces, fields, streets, etc.).

#### I. Naming in recognition of a gift

- a. Buildings and structures may be named or renamed for a donor when the gift covers the total cost of the new building or facility or provides funding for the portion of the cost which would not have been available from other sources (state or federal appropriations, student fees, bonds, etc.) and which would constitute a significant portion, normally not less than 50%, of the total cost.
- b. All other naming opportunities are to be set for values determined by the Oregon Tech Foundation after consultation with the OIT president and his or her designees. The Oregon Tech Foundation will take under consideration the gift amounts used to name like facilities or areas on

campus and the general market value of such naming opportunities on other campuses.

II. Naming for an individual not in recognition of a gift

- a. Naming opportunities are generally reserved for donors. However, an individual's name may be affixed to a facility or space (interior or exterior) in posthumous recognition of unusually meritorious service to the Institute or to society at large.
- b. Normally a period of at least one year shall have elapsed between the individual's death and the proposal for naming.

III. Functional Names

- a. The use of functional names should be avoided, as the whereabouts of functions can change over time.
- b. In cases where functions change within a building, the name will remain with the building and the functional name will be deleted.

IV. Signage and Plaques

- a. All interior and exterior signage on campus will conform to established guidelines.
- b. Plaque text must be reviewed and approved by the Vice Presidents for Finance and Administration and Institutional Advancement.
- c. The use of terms such as Center, Hall, Building, Courtyard must be approved by the OIT president and shall be consistent with other such named spaces on campus.

V. Procedures

- a. For building names, a formal letter of request should be submitted to the Office of the President. The letter should discuss the importance of the naming to the Institute; the nature of the gifting and/or meritorious activity; and other conditions, concerns, or impacts of the naming. A resume or discussion of the individual(s) who would be honored should be included.

- b. All other recommendations for naming opportunities should be submitted to the Vice President for Institutional Advancement. The Vice President for Institutional Advancement will review these recommendations with the Executive Staff. Final approval will be given by the President.

VI. Responsibility

No individual may commit OIT to naming unless specific formal acceptance has been granted by the President or the Vice President for Institutional Advancement as described in the Procedures section of this policy.

Recommended:

Administrative Council – November 13, 2002  
Faculty Senate – November 7, 2002  
President's Council – October 8, 2002

Approved: /s/ Martha Anne Dow  
Martha Anne Dow, President

Date: November 7, 2002