

FAC Appendix 01. Board of Trustees BYLAWS

ARTICLE I

Election of Trustees

Section 1. Number. The Board of Trustees shall consist of not more than twenty-five (25) members and not less than twenty (20) members; provided, however, that the Board shall have the power to act even if the number of its members falls below twenty (20).

Section 2. Trustees. The Board of Trustees shall be comprised of the best qualified persons available with a majority of its membership persons who are members of the Church of the Brethren and/or McPherson College alumni.

Section 3. Nominations for Trustees. The Committee on Trustees of the Board of Trustees shall present such nominations as it may determine for consideration by the Board of Trustees at the first meeting of the calendar year, or, if vacancies exist, at any other duly called meeting of the Board of Trustees. The committee shall regularly invite suggestions for nominations from members of the Board of Trustees and it may seek other suggestions for nominations from outside the Board of Trustees.

The committee shall ask for suggestions for nominations from the Alumni Association of McPherson College and from the district conference of each of the following four duly constituted Church of the Brethren Districts: Northern Plains, Western Plains, Southern Plains and Missouri-Arkansas. The committee shall also seek suggestions from organizations within McPherson County, and any of the McPherson College

Advisory Boards.

Section 4. Elections. Election of trustees shall occur at the first meeting of the Board of Trustees during the calendar year except when the Board deems it advisable to conduct an election at another regular or special board meeting.

Section 5. Term. Each trustee shall serve a term of five (5) years, or until his/her successor is elected unless he or she earlier dies, resigns, or is removed from the Board of Trustees. Trustee terms commence at the conclusion of the first meeting subsequent to their election. To the extent practicable, an equal number of terms shall commence each year. No trustee shall be eligible for more than two (2) successive five (5) years terms of office without having been off the Board of Trustees for a period of at least one (1) year.

Section 6. Vacancies. If a trustee position is vacated before the expiration of the term, it may be filled by the Board of Trustees. The successor trustee so elected shall hold office for the unexpired portion of such term.

ARTICLE II

Powers and Duties of the Board of Trustees

The Board of Trustees shall:

Section 1. Establish policy for McPherson College.

Section 2. Select and hire a President of the College who shall hold office at the pleasure of the Board of Trustees.

Section 3. Elect trustees as provided in Article I of the

bylaws.

Section 4. Have the option to declare vacant the seat of any trustee who shall be absent from three (3) consecutive meetings of the Board.

Section 5. Elect by ballot from their own number a Chair, Vice Chair, Treasurer, and a Secretary.

Section 6. Identify and create such committees as may be required.

Section 7. Incur indebtedness.

Section 8. Grant honorary degrees.

Section 9. Have the right to exercise all other powers belonging to it, whether by law or otherwise, except as otherwise set forth in these bylaws. Notwithstanding any contrary provisions in these bylaws, the Board of Trustees shall not have the power or authority to take any action which shall deprive McPherson College of its status as an exempt organization under the provisions of the United States Internal Revenue Code, Section 501(c)(3).

ARTICLE III

Meetings

Section 1. Regular Meetings. The Board shall meet regularly at least three (3) times during each academic year, July 1 through June 30.

Section 2. Special Meetings.

2.01. Special meetings of the Board may be called by the Chair at such place as may be specified. Notice of special

meetings shall be given at least fifteen (15) days prior to the meeting.

2.02. An emergency meeting of the Board of Trustees may be called at any time by two-thirds (2/3) consent of the trustees.

2.03. The Chair may and, upon written request of a majority of the trustees, shall call a special meeting of the trustees at any time, with at least fifteen (15) days notice.

2.04. Notice shall be given of such called meetings by any of the following methods of authorized notice: leave a written or printed notice at the residence or place of business of such Trustee; mail such notice; send by confirmed telefacsimile transmission or confirmed delivery by reputable private express service; call on the telephone or send by e-mail. Such service of notice shall be entered in the minutes and said minutes upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

Section 3. Quorum. A simple quorum for the transaction of business at any regular or special meeting of the Board shall consist of a majority of the total number of trustees. In the absence of a quorum, a majority of those present shall have the power to adjourn the meeting to a future date. Notice of the date, time, and place to which the meeting is adjourned shall be promptly given by any of the methods set forth above, or by any combination.

Section 4. Telephone Conference Meetings. The trustees of the Board, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all participating in the meeting can hear and converse with each other, and participation in such meeting

shall constitute attendance at such meeting.

Section 5. Meetings by Letter or Electronic Correspondence.

Any action required or permitted to be taken at any meeting of the Board or any committee of the Board may be taken without a meeting if all members of the Board or committee consent thereto in writing, telefacsimile transmission, without limitation, or by e-mail with such "correspondence" to be filed with the minutes of Board or committee.

ARTICLE IV

Dissolution

In the event of dissolution of McPherson College, assets remaining after payment of all debts of the College shall be transferred by the Board of Trustees to a nonprofit organization whose purposes are substantially the same as those of the College and which, at the time of transfer, is exempt from federal income taxation under Internal Revenue Code, Section 501(c)(3) or the corresponding provisions of any subsequent federal tax laws. Any such assets not so transferred by the Board of Trustees shall be disposed of by the District or Circuit Court of the County in which the registered office of the College is located, exclusively for such tax-exempt purposes or to such tax-exempt organization as the Court shall determine. No member, trustee or officer of the College, or any private individual, shall be entitled to share in the distribution of any of the assets of the College on its dissolution.

ARTICLE V

Officers

Section 1. Officers. The officers of the Board of Trustees shall consist of a Chair, Vice Chair, Treasurer, and Secretary. The officers shall be nominated by the Committee on Trustees and elected by the Board for a term of three (3) years and shall not be eligible for re-election after having served two (2) successive terms. Nominations shall not include any trustees with less than two (2) years of service on the Board and nominations for the Board Chair shall not include any trustees with less than two (2) years of service on the Executive Committee. The officers of the Board shall be elected at the first meeting of the Board of Trustees during a calendar year. Such elected officers will assume the duties of their respective offices at the conclusion of the first subsequent meeting of the Board following their election. The Board may deem it advisable to conduct an election at another regular or special board meeting. When a special election is held, the Board may seat the elected officer(s) at the conclusion of that meeting.

Section 2. The Chair of the Board of Trustees. It shall be the duty of the Chair of the Board of Trustees to preside at all meetings of the Board. He/she shall sign all contracts and other instruments of writing which have been first approved by the Board of Trustees or Executive Committee.

Section 3. Vice Chair. The Vice Chair shall act in the place of the Chair when the Chair is unable to perform the duties of his/her office or is absent from the meeting. If both the Chair and Vice Chair are absent or unable to perform their duties, a member of the Executive Committee shall assume the responsibilities of the Chair. The Vice Chair shall serve as Chair of the Committee on Trustees.

Section 4. Secretary. The Secretary shall keep the Corporate Seal and shall affix the same to all documents requiring a seal. He/she shall keep the proper records and shall discharge such other duties as pertain to his/her office or are prescribed by the Board of Trustees. The Secretary shall serve all notices required by law or the bylaws of the College.

Section 5. Treasurer. The Treasurer shall ensure that all Trustees shall receive quarterly financial statements from the college administration. The Treasurer shall ensure that annual or special audits are provided all trustees in a timely manner for review and discussion as appropriate. He/she shall work closely with college personnel responsible for financial matters, the Board-approved auditor, and the appropriate Board committee(s).

ARTICLE VI

Committees

Section 1. The Board shall have the standing committees described below. Except as may be set forth otherwise in these bylaws, no person who is not a trustee of the College shall be a member of any standing committee.

Section 2. Executive Committee

2.01 The principal standing committee shall be the Executive Committee. The Executive Committee shall consist of the elected officers of the Board and the chairs of all standing committees, with the President as an ex officio member. The Executive Committee shall exercise the powers of the Board between board meetings. This committee shall meet regularly or at the request of the Chair of the Board.

2.02 The Executive Committee shall commission regular

evaluations of the President and shall be responsible for contract negotiations with the President.

2.03 Ad hoc committees for special purposes may be formed by the Executive Committee, subject to the approval of the Board, as needed. Special committees shall be appointed by the Chair of the Board as needed.

2.04 Notices of meetings and minutes of the Executive Committee meetings shall be sent to all members of the Board within fifteen (15) days of each meeting.

Section 3. Other Standing Committees. Chairs of each of the committees, other than the Committee on Trustees (chaired by the Vice Chair of the Board), shall be appointed by the Officers of the Board for a term of one (1) year, subject to reappointment for a total of six (6) consecutive years.

3.01 Financial Affairs Committee. The Financial Affairs Committee shall consist of not less than five (5) Board members, including the Treasurer of the Board, as well as the Chief Financial Officer of the college and the Vice President for Advancement who will serve as ex officio members. This committee shall review all of the financial affairs of the college, including the annual budget, investment policies and procedures and financial planning for the college. In addition, the committee shall review fundraising and advancement functions. This committee shall make annual recommendations regarding the selection of an auditor. In addition, the committee shall review fundraising and advancement functions. This committee shall bring necessary policy recommendations to the Board. Minutes of this committee shall be sent to the entire Board.

3.02 Academic Affairs Committee. The Academic Affairs and Student Life Committee shall consist of not less than five (5) Board members and the Provost who shall serve as ex officio members. This committee shall review all matters

pertaining to the academic affairs and Policies of the College, recommendations for the promotion and tenure of faculty members, academic programs, faculty welfare, honorary degrees, and any related matters. This committee shall bring necessary policy recommendations to the Board. Minutes of this committee shall be sent to the entire Board.

3.03 Enrollment and Student Life Committee. The Enrollment and Student Life Committee shall consist of not less than five (5) board members. The Vice President for Enrollment and Dean of Students shall serve as ex officio members. This committee shall review all matters related to student life and well being, marketing of the college, college promotions, communications, student retention and recruitment and financial aid. This committee shall make necessary policy recommendations to the Board. Minutes of this committee shall be sent to the entire board.

3.04 Committee on Trustees. The Committee on Trustees shall consist of not less than five (5) Board members and shall include at least one member from each of three standing committees: Financial Affairs, Academic Affairs & Student Life, and Admissions & Advancement, plus the Vice Chair of the Board, who will serve as Chair of the Committee. The President of the College shall serve as an ex-officio member. This committee shall be responsible for the recruitment of new board members, evaluation of board performance, evaluation of the organization and membership of the Board, nominations for membership to the Board, nominations for officers of the Board, and shall make policy recommendations on these matters to the Board. Minutes of this committee shall be sent only to members of the committee and the President, but the minutes shall be available in the President's Office to any member of the Board.

3.05 Strategic Planning Committee. The Strategic Planning Committee shall consist of not less than five (5) Board

members and shall include at least one member from each of three standing committees: Financial Affairs, Academic Affairs & Student Life, and Admissions & Advancement. The President of the College shall serve as an ex-officio member. This committee shall review all materials necessary to develop and support a strategic plan, including internal operational and financial results as well as data describing the external environment in which the College operates. This committee shall make recommendations relative to the necessary and appropriate actions of the Board related to the College's strategic plan. Minutes of this committee shall be sent to the entire board.

ARTICLE VII

President

The President, as the chief administrative officer of the College, is responsible for the overall success of the College in meeting its goals and objectives. He/She shall operate the College within the charter and bylaws and carry out the policies of the Board of Trustees. He/She shall report at each meeting of the Board on the condition and prospect of the College, submit a proposed budget for the ensuing college year, and make such recommendations and suggestions to the Board of Trustees and the Executive Committee as he/she deems advisable. He/She shall sign all legal documents for and on behalf of the College, as may be directed by the Board or the Executive Committee. The President of the College shall be an ex officio member of the Board of Trustees and all Board Standing Committees.

ARTICLE VIII

Bylaws, Amendments, and Revision

These bylaws may be changed or amended at any meeting of the Board of Trustees by a two-thirds (2/3) vote of all trustees, provided notice of the substance of the proposed amendment is sent to all the trustees at least thirty (30) days before the meeting, At the meeting, the Board may accept or reject any amendment as proposed, or adopt a modified or substitute version of any proposed amendment. The Board shall not amend any section of the bylaws other than those sections designated for proposed amendment in the notice.

ARTICLE IX

The Seal

The Corporation shall have a common Seal, consisting of a circle having on its circumference the words, "McPherson College, McPherson, Kansas."

ARTICLE X

Indemnification

Each trustee and officer of the College shall be indemnified against all expenses actually and necessarily incurred by such trustee or officer in connection with the defense of any action, suit or proceeding to which he or she has been made a party by reason of being or having been such trustee or officer. The College shall cover such expenses except in relation to matters where the trustee or officer shall be

adjudicated in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The College shall maintain appropriate trustee and officer liability insurance coverage for this purpose.

ARTICLE XI

Conflict of Interest

A trustee shall be considered to have a conflict of interest if

(a) such trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his or her responsibilities to the College, or

(b) such trustee is aware that a member of his or her family, or any organization in which such trustee (or member of his or her family) is an officer, director, employee, member, partner, trustee, or controlling stockholder, has such existing or potential financial or other interests. For the purposes of this provision, a family member is defined as a spouse, parents, siblings, children and any other relative if the latter resides in the same household as the trustee.

All trustees shall disclose to the Board any possible conflict of interest at the earliest practical time. Furthermore the trustee shall absent him or herself from discussions of, and abstain from voting on, such matters under consideration by the Board of Trustees or its committees. The minutes of such meeting shall reflect that a disclosure was made and that the trustee having a conflict or possible conflict abstained from voting.

Any trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board or committee to resolve the question in his or her absence by majority vote.

Each trustee shall complete and sign a disclosure form provided annually by the Secretary of the Board of Trustees.

The foregoing bylaws were amended by the Board of Trustees of McPherson College on July 15, 2006.

The foregoing bylaws were amended by the Board of Trustees of McPherson College on November 8, 2008.

The foregoing bylaws were amended by the Board of Trustees of McPherson College on November 6, 2009.

The foregoing bylaws were amended by the Board of Trustees of McPherson College on August 9, 2013.