

MEMORANDUM OF UNDERSTANDING AND GUIDING PRINCIPLES
BY AND BETWEEN
ALABAMA STATE UNIVERSITY
AND
ALABAMA STATE UNIVERSITY FOUNDATION, INC.

THIS AGREEMENT, entered into as of this 6th day of February, 2026, by and between the ALABAMA STATE UNIVERSITY (“University”) and the ALABAMA STATE UNIVERSITY FOUNDATION, INC. (“Foundation”).

WHEREAS, the purpose of this Memorandum of Understanding and Guiding Principles (“MOU”) between the University and the Foundation is to guide and direct the parties respecting their affiliation, cooperation and working relationship, inclusive of current and anticipated future arrangements, and delineate the functions of each;

WHEREAS, the Foundation is a legal entity separate and apart from the University, a nonprofit tax-exempt corporation organized under the law of the State of Alabama and Section 501(c) (3) of the Internal Revenue Code, as amended;

WHEREAS, the Foundation was organized and incorporated, December 27, 1967, for the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of the University;

WHEREAS, the Foundation exists to encourage, manage, and administer private resources to support the mission and priorities of the University, as established by the University’s Board of Trustees and as implemented by the President of the University;

WHEREAS, the Foundation was created for the express purpose of serving the varied mission(s) of the University as well as to solicit, receive, manage, invest, and hold any property, assets, gifts, donations, and grants for the purpose of supporting and enhancing the University’s programs and activities;

WHEREAS the Foundation shall not engage in activities, programs, and services that are in conflict with or inconsistent with the policies, mission, and goals of the University or the Foundation; and

NOW THEREFORE, in consideration of the premises, institutional policies and the bylaws of the Foundation, Alabama State University and the Alabama State University Foundation, Inc. enter into this Agreement as follows:

Foundation and University Relationship Guiding Principles

1. The Foundation and the University agree to abide by this Memorandum of Understanding and Guiding Principles, as expressly set forth herein.
2. The Foundation Board of Directors (“Foundation Board”) shall be responsible for the management of the Foundation's assets, consistent with this Agreement, state law, its Articles of Incorporation, and its bylaws, so long as said documents do not conflict with the goals and objectives of the University. The Foundation, through its Board of Directors, shall adopt specific goals and performance objectives annually for the Foundation to support the University's goals and objectives. The Foundation Board shall also be responsible for the prudent management of all gifts consistent with donor intent, provided that such intent is consistent with the goals of the University.
3. The Foundation is, and at all times shall remain, exempt from federal and state taxes. Exemption from federal taxation is not automatic, as such, the Foundation has been qualified as a tax-exempt organization (typically referred to as a “501(c)(3) organization”) by the Internal Revenue Service and will maintain such tax-exempt status at all times. Should the Foundation lose its “501(c)(3)” status, the Foundation Board shall initiate dissolution proceedings as provided by federal and state law and Foundation Articles of Incorporation and Bylaws, and all remaining assets shall be remitted to the University.
4. The day-to-day governance of the Foundation's corporate affairs shall be provided in its bylaws (“Bylaws”). The Bylaws contain provisions dealing with the membership of its governing board, meeting requirements, including any applicable open meeting requirements, amendments to its governing documents, and duties of its board members. Nothing in the Foundation’s Bylaws shall conflict with the goals and objectives of the University.
5. The University and the Foundation are separate and distinct legal entities, and nothing in this Agreement is intended to create or constitute a joint venture, partnership, agency, or irrevocable or revocable trust between the parties or persons referred to herein. In all matters relating to this Agreement each party shall have sole liability for its own acts. Neither the Foundation nor University shall have any liability for the obligations, acts or omissions of the other party. Neither the Foundation nor the University shall accept any gift, donation, or grant or enter into any transaction that creates any liability for the other party. Nothing in this Agreement shall be construed as a waiver of sovereign immunity beyond the limits in any applicable statute.
6. The University and Foundation agree to indemnify, defend, save and hold harmless the other party from and against any claim, liability, debt, judgment, expense or other costs related to or arising out of the indemnifying party's acts, omissions, or negligence.

7. In consideration of the Foundation's services and its mission of supporting the University, and where permitted by law, the University shall provide the Foundation, subject to available resources as determined in the sole discretion of the President of the University ("President"), with in-kind services, such as staff and/or administrative services, including but not limited to the salary, benefits and compensation of an Executive Director of the Foundation or other staff, office space, equipment, materials, supplies, technology, use of University facilities, and access and participation in University sponsored or promoted activities, programs and services, subject to any established University policy or procedure applicable to the use of, access to, or participation in University facilities, programs, activities and services.
8. Similarly, in consideration of the University's services, the Foundation may provide the University or University employees with fair and reasonable compensation or payment for services. Any compensation paid by the Foundation to any University employee must be approved by the University President. The amount of compensation may be negotiated between the parties on an annual basis by year-end of the preceding year in accordance with University regulations and policies. In further consideration of University services, the Foundation may also provide in-kind support, as agreed upon by the parties. A report of compensation paid by the Foundation to the University and its employees shall be made annually to the University's Board of Trustees.
9. The Foundation shall be granted the use of the name Alabama State University. Furthermore, by mutual agreement, the Foundation may use associated marketing symbols, logos, seals, and any other identifying marks of the University so long as this Agreement remains in effect, in accordance with the University policies and guidelines.
10. The Executive Director of the Foundation shall be appointed by the President of the University, in accordance with the University's policies and procedures.
 - a. The Chair of the Foundation Board, or their designee, shall participate in the selection process for the Executive Director.
 - b. The Executive Director shall be an employee of the University. Compensation and performance evaluation shall be shared responsibilities of the University and Foundation, with details governed by [University policies and procedures and Foundation Bylaws].
 - c. In his or her role as Executive Director, the Executive Director shall report directly to the Chair of the Foundation Board. The Executive Director shall report regularly to the President and any other body as designated by the President. The Executive Director shall communicate and promptly advise the Chair of the Foundation Board, especially with respect to business and fiduciary matters. The Executive Director shall advise, inform, and serve as a key liaison to the Foundation Board of Directors. The Executive Director shall hold an ex-officio (non-voting) seat on the Foundation Board.

- d. The Foundation Board shall oversee the Executive Director's performance with respect to relates to Foundation operations, fundraising, compliance with donor intent, and fiduciary duties. The University shall oversee the Executive Director's compliance with University employment policies, code of conduct, and institutional priorities.
 - e. Removal of the Executive Director requires **mutual agreement** between the University and the Foundation Board.
 - f. If either the University or the Foundation determines there is cause for removal (e.g., misconduct, underperformance, or misalignment with mission), the concerned party shall provide written notice outlining the rationale.
 - g. The parties shall meet within [10] business days of notice to determine a course of action. The Foundation Board retains authority over removal from the Foundation role; the University retains authority over employment separation.
 - h. In cases of urgent concern (e.g., potential legal violations or fiduciary breaches), either party may place the Executive Director on administrative leave pending review.
11. The Foundation's Executive Director is responsible for communicating University priorities and long-term plans to the Foundation as approved by the Alabama State University Board of Trustees. The Executive Director is also responsible for implementing Foundation policies and actions taken by the Foundation Board of Directors.
12. The University shall include the Foundation as a participant in the strategic planning for the University, as the Foundation's strategic plans support the University.
13. It is mutually understood and agreed by and between the University and the Foundation to abide by the following Guiding Principles:
- a. The Foundation's Board of Directors will continue to be guided by its governing Bylaws relative to its operations.
 - b. The Foundation shall amend its Bylaws to reflect the intent of this Memorandum of Understanding.
 - c. The Foundation's Board of Directors will approve all activities relating to non-restrictive funds including, but not limited to, the disbursement of funds and the allocation of expenses. Moreover, the Foundation's disbursements on behalf of the University must be supportive of the University, are consistent with donor intent, and do not conflict with applicable law and the goals and objectives of the University.

- d. All funds donated to the Foundation will continue to be received by the Foundation for their stated purpose. The Foundation will receive, hold, manage, invest, and disperse contributions of cash and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments. Restricted funds shall not be used in any manner inconsistent with the designation by the donor.
- e. The Foundation's Board of Directors' fundraising engagements will be directed by the University's goals and objectives. The University, through its President and representatives, will coordinate fundraising initiatives with the Foundation Board of Directors, including major gifts solicitations. The University President and development staff will work in conjunction with the leadership of the Foundation Board and the Foundation Executive Director to identify, cultivate, and solicit prospects for private gifts and other fundraising efforts.
- f. This Memorandum of Understanding shall not be modified or amended except by mutual consent at the request of either party. All amendments or modifications must be in writing and executed by the parties. This agreement should be reviewed annually, at a minimum, or more frequently, if necessary, by both parties.
- g. Neither party shall have the right to assign or transfer its rights or obligations under this agreement without the express, written consent of the other party.
- h. The University recognizes that the Foundation is a private corporation with the authority to keep all records and data confidential consistent with applicable law and donor consents. The Foundation will provide access to data and records to the University in accordance with written requests by the University, and in accordance with applicable laws and Foundation Bylaws, policies, and guidelines.
- i. The Foundation shall retain its separate current mailing address.

Foundation Responsibilities, Funding, and Administration

- 14. The Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that clearly address the Foundation's Board of Directors' ("Board") fiduciary responsibilities. This includes expectations of the Board members based upon ethical guidelines and policies.
- 15. The Foundation is the primary depository of private gifts and will make funds available to and disburse funds to the University or designated entity within the University. The Foundation will establish asset-allocation, disbursement, gift management, acceptance, and spending policies in accordance with its Bylaws, applicable federal and state laws, and consistent with the University's policies. It will promptly acknowledge and issue receipts for all gifts on behalf of the Foundation and the University and provide

appropriate recognition and stewardship of such gifts. The University and the Foundation acknowledge that those gifts provided to the Foundation are distinct from the University.

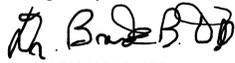
The Foundation shall establish a procedure to ensure that gifts, funds and other items of value are clearly and conspicuously disclosed to the University, via the Executive Director. When distributing gift funds to the University or designated entity, the Foundation will disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift. The University or designated entity will abide by such restrictions, provided that they are consistent with applicable law, Foundation, and University policies.

The University will also provide appropriate documentation as required or requested by the Foundation. The Foundation shall be provided reports of activity regarding authorized disbursements. The Foundation shall also provide the University with a copy of its investment policy statement. No administrative or capital funds shall be charged by the Foundation upon receipt of endowed funds, except with the consent of the donor.

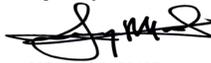
16. Should the Foundation hire any employees, it shall be responsible for the selection, employment, compensation, and evaluation of all its employees.
17. The Foundation may earmark a portion of its unrestricted funds to a discretionary fund for the President of the University. The Foundation will either transfer a percentage of those funds annually to the University in compliance with state law and University policies or reimburse appropriate presidential expenditures. (All such expenditures must comply with the Internal Revenue Code 501(c)(3) and be consistent with the Foundation's and University's mission.) If funds are transferred to the University under this provision, any disbursements of funds shall be done in accordance with state law, Foundation Bylaws and policies, and University policy.
18. The Foundation has the right to fund its operations by reasonable means in accordance with Foundation policies. Such methods may include the use of unrestricted funds, the assessment of fees for services, imposing administrative fees, or imposing taxes upon gifts. These policies and schedule of fees assessed on all funds received will be given to the University and will be made available to the public and disclosed in accordance with applicable laws and regulations.
19. The Foundation shall use generally accepted accounting principles in its financial recordkeeping and reporting. The Foundation will provide, or cause to be provided, audited financial data in conformity with the reporting requirements of the State of Alabama. This data will be provided in a timely manner so that reporting requirements of the State are met. The audit report shall be completed by December 1st of the preceding fiscal year and shall include financial statements, a management letter and audit opinion, which addresses the conformance of the operating procedures of the Foundation to the provision of this Agreement and institutional policy.

- 20. This Agreement will be reviewed and updated on a periodic basis, no less than once every 5 years, upon mutual agreement by the University and Foundation.
- 21. This Agreement shall remain in effect unless terminated by either party by giving a 180-day written notice to the other party or the Foundation ceases to do business. Upon such event, the Foundation Board shall initiate dissolution proceedings as provided by federal and state law and Foundation Articles of Incorporation and Bylaws.
 - a. Should either party terminate this Agreement, the parties shall jointly review all active third-party agreements entered into in connection with this MOU or for the benefit of the University and mutually determine which agreements require assignment or termination. The parties shall work in good faith to minimize legal exposure to the parties. Outstanding obligations would include, but not be limited to, advance funds borrowed for specific initiatives and any obligations on behalf of the terminating party or any of its affiliated organizations.
 - b. Upon termination, the Foundation shall transfer to the University a copy of all records of all funds received from or on behalf of the University and assist with any outstanding financial or reporting obligations. Additionally, the Foundation agrees that any remaining assets held by the Foundation at such time shall become property of the University, consistent with applicable law and Foundation governing documents, or to any other IRS Section 501(c)(3) organization operating for the benefit of the University operating in a manner consistent with the initial goals and objectives of the Foundation.

IN WITNESS WHEREOF, the University and the Foundation have executed this Agreement effective the 6th day of February, 2026.

Signed by:


 Brenda Brown Dillard
 Chair, Board of Trustees
 Alabama State University
 Date: 2/9/2026

Signed by:


 Jimmy Morris, Jr.
 Chair, Board of Directors
 ASU Foundation, Inc.
 Date: 2/9/2026

Signed by:


 Dr. Quinton T. Ross, Jr.
 President
 Alabama State University

DocuSigned by:


 Co. (ret) Gregory Clark
 Executive Director
 ASU Foundation, Inc.

Date: 2/9/2026

Date: 2/9/2026

ASU Board of Trustees Approved:

ASU Foundation, Inc. Board Approved:
