AFFILIATION AGREEMENT
BETWEEN
TEXAS A&M UNIVERSITY-CORPUS CHRISTI
AND
THE ISLAND UNIVERSITY FOUNDATION, INC.,
dba TEXAS A&M UNIVERSITY-CORPUS CHRISTI ALUMNI ASSOCIATION

This Agreement is made and entered into this 18th day of August, 2004, by and between TEXAS A&M UNIVERSITY-CORPUS CHRISTI, hereinafter referred to as the “University” and THE ISLAND UNIVERSITY FOUNDATION, INC., dba TEXAS A&M UNIVERSITY-CORPUS CHRISTI ALUMNI ASSOCIATION, hereinafter referred to as the “Alumni Association.”

RECITALS:

The University is an institution of higher education, a component of The Texas A&M University System, and an agency of the State of Texas.

The Alumni Association is organized for the primary purpose to financially support the University in order to further the purposes, duties and missions of the University.

The Alumni Association solicits participation and receives and recognizes gifts which support the educational, research and service missions of the University.

Tex. Govt. Code §2255.001 requires a state agency for which a private organization exists that is designed to further the purposes and duties of the agency to adopt rules governing the relationship between the organization and the agency. The rules adopted shall govern all aspects of conduct of the agency and its employees in the relationship, including: (1) administration and investment of funds received by the organization for the benefit of the agency; (2) use of an employee or property of the agency by the organization; (3) service by an officer or employee of the agency as an officer or director of the organization; and (4) monetary enrichment of an officer or employee of the agency by the organization.

In accordance with Tex. Govt. Code §2255.001, The Texas A&M University System implemented System Regulation 60.01.01 which addresses the requirements of the statute. Further, System Regulation 60.01.01 requires that an affiliation agreement be executed with each affiliated fund raising organization.

In consideration of the mutual covenants and conditions herein contained, the University and the Alumni Association agree as follows:

1. **FISCAL RESPONSIBILITY:**

   1.1 The Alumni Association board retains the fiduciary responsibility for the operation of the Alumni Association, and the authorization of the expenditure of funds.
1.2 The University will serve as the fiscal agent for the Alumni Association.

1.3 All funds of the Alumni Association must be invested through the University.

1.4 Funds from the Alumni Association will be set up in an agency fund account(s) and/or a restricted funds account(s), and will be administered by the University Vice-President of Institutional Advancement or his/her designee.

2. UNIVERSITY EMPLOYEES:

2.1 The Alumni Association may use the services of University employees in exchange for consideration to the University of advancement support funds provided to the University in an amount to be negotiated each year[based on a mutually agreed upon percentage of the Alumni Director’s Salary, and not to be less than twenty-five (25%) percent].

2.2 University employees may serve as directors of the Alumni Association as long as no conflict of interest exists in job function. In the event a conflict of interest arises, the University employee may no longer serve as a director of the Alumni Association.

2.3 All monetary enrichment of University employees (i.e. salaries and associated benefits) by the Alumni Association shall be in accordance with state law, regulations, and rulings. All expenditures must be made through University accounts in accordance with University policy. The Alumni Association shall not pay any salary and/or associated benefits directly to a University employee.

2.4 Reimbursements by the Alumni Association to University employees for travel, expenses, etc. must be made in accordance with University rules or donor restrictions. All expenditures must be made through University accounts.

3. USE OF UNIVERSITY PROPERTY:

3.1 The University will provide office space, equipment, and supplies as necessary for use by the Alumni Association in exchange for consideration to the University of advancement support funds provided to the University in an amount to be negotiated each year and included in the mutually agreed upon percentage of the Alumni Director’s Salary, pursuant to paragraph 2.1, above.

4. AUDIT AND REPORTS:

4.1 The Alumni Association shall be responsible for any audits required by their 501(c)(3) status.

4.2 The Alumni Association shall be subject to audit by The Texas A&M University System Internal Audit Department, in addition to state and federal auditors.
4.3 The University shall be responsible for all fiscal reports, accounting, federal reports, etc., as fiscal agent for the Alumni Association.

5. **DISBURSEMENT OF FUNDS:**

5.1 All disbursements must be authorized by the Alumni Association board.

5.2 All disbursements are subject to the restrictions of the donor.

5.3 All payments by the Alumni Association in support of the University shall be made within the University accounting system, and reimbursement to the University will be made from the University fund account(s) and/or restricted funds account(s) established for the Alumni Association.

5.4 The Chief Financial Officer of the University, or designee, must approve, by signature, any disbursement made directly from the agency fund account(s) established for the Alumni Association.

6. **REPRESENTATION ON FOUNDATION BOARD:**

6.1 The Vice President for Institutional Advancement of the University, or designee, shall serve as an ex-officio non-voting member of the board of the Alumni Association and otherwise participate fully in the activities of such board.

6.2 Such service shall be without any remuneration or personal gain, but the Vice President for Institutional Advancement of the University, or designee, shall be entitled to have actual expenses incurred for such participation reimbursed, in accordance with section 2.4 above.

6.3 Such participation shall be for the purpose of providing advice and coordination for the mutual interest of the University and the Alumni Association, including but not limited to presenting annual participation goals, priorities and needs of the University.

7. **GOVERNANCE OF AGREEMENT:**

7.1 No provision of this Affiliation Agreement may conflict with or supersede a requirement of any law of the State of Texas. If any provision is found to be in conflict, it shall be null and void.

7.2 No provision of this Affiliation Agreement may conflict with or supersede a requirement of the Policies and Regulations of The Texas A&M University system. If any provision is found to be in conflict, it shall be null and void.

7.3 This Affiliation Agreement shall be governed by the laws of the State of Texas.
8. **DURATION OF AGREEMENT:**

8.1 This Affiliation Agreement shall be effective on the date set out above, and shall continue in force for a term of five (5) years.

8.2 This Affiliation Agreement may be terminated by either party upon one hundred eighty (180) days written notice to the other party.

8.3 Modifications to this Affiliation Agreement may be made from time to time by mutual written agreement of the parties. Those modifications shall become a part of this Affiliation Agreement as of the effective date of the modification.

IN WITNESS WHEREOF, the parties hereto have caused this Affiliation Agreement to be executed as of the day and year first written above.

Texas A&M University-Corpus Christi

Dr. Robert R. Furgason  
President  
Date: 18 August 2004

The Island University Foundation, Inc.,  
dba Texas A&M University-Corpus Christi Alumni Association

Kendra Kinnison  
President  
Date: 08/18/04