

**ARTICLES OF INCORPORATION**  
**OF THE**  
**KENTUCKY STATE UNIVERSITY THOROBBREDS FOUNDATION, INC.**

I, the undersigned incorporator of the Kentucky State University Thoroughbreds Foundation, Inc., do hereby incorporate, under and pursuant to the provisions of Chapter 273 of the Kentucky Revised Statutes, a non-profit corporation without capital stock or shareholders, and for that purpose adopt the following Articles of Incorporations.

**ARTICLE I**

NAME

The name of the Corporation is Kentucky State University Thoroughbreds Foundation, Inc.

**ARTICLE II**

PRINCIPAL OFFICE

The principal office of the Corporation is 400 East Main Street, Frankfort, Kentucky 40601.

**ARTICLE III**

INCORPORATOR AND REGISTERED AGENT

The name and address of the sole incorporator and registered agent of the Corporation is as follows:

Michael R. DeCourcy	Institutional Advancement
	Kentucky State University
	400 East Main Street
	Frankfort, Kentucky 40601

**ARTICLE IV**

NATURE

The Corporation is to be a non-profit corporation, for which no capital stock shall be issued and from which no private, pecuniary profit shall ever be derived by any officer or other person, except for reasonable compensation as may be allowed for services actually rendered. All income of the Corporation shall be devoted solely to the fulfilling the Corporation's purpose, which shall at all times comply with the purposes established under KRS 273.167.

## ARTICLE V

### PURPOSE

The purpose of the Corporation shall be to perform, in compliance with applicable law, all actions necessary to support Kentucky State University and its educational objectives. Such actions may include, but are not limited to, assisting with the development of the physical plant of Kentucky State University, the development and expansion of the academic and athletic programs of Kentucky State University, and the administration of aid to the student body of Kentucky State University. The organization is organized exclusively for charitable, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## ARTICLE VI

### POWERS

The Corporation shall possess the power to:

- (a) Raise capital from private and institutional sources.
- (b) To receive and hold by gift, bequest, devise, grant, or purchase, any real or personal property and to use and dispose of same in accordance with the purpose of the Corporation.
- (c) To receive any restricted funds having purposes or uses that do not conflict with the purpose of the Corporation or Kentucky State University and to administer and apply said funds as directed by donors.
- (d) To employ any personnel needed for carrying out the purposes of the Corporation.
- (e) To borrow money and give its notes or other obligations therefor and to secure payment thereof by pledging, assigning, or mortgaging any property the Corporation may own.
- (f) To issue funds to, or make loans for, worthy students of Kentucky State University who are unable to meet their necessary expenses.
- (g) To engage in any and all lawful activities or pursuits for which a non-profit corporation may be incorporated under Chapter 273 of the Kentucky Revised Statutes and to exercise any and all powers that such non-profit corporation may now or hereafter exercise, whether or not specifically set forth herein.

Notwithstanding the foregoing, all expenditures made to or on behalf of Kentucky State University by the Corporation shall require prior written authorization from the President of Kentucky State University and shall follow all established policies and procedures of Kentucky State University and the Corporation.

## ARTICLE VII

### BOARD OF TRUSTEES

A Board of Trustees shall conduct the business and affairs of the Corporation.

Trustees shall be appointed by the Board of Regents of Kentucky State University, and Trustees shall serve three-year terms.

The Board of Trustees shall consist of no more than fifteen (15) Trustees, unless otherwise increased by the Board of Regents of Kentucky State University.

The Board of Regents of Kentucky State University shall set any qualifications for the appointment of Trustees.

The Board of Trustees shall adopt bylaws to provide for the internal control and government of the Corporation, and it shall have the power to amend and repeal same through a majority vote by the Trustees. Bylaws of the Corporation shall not conflict with these Articles of Incorporation or any laws and regulations of the United States or Commonwealth of Kentucky.

The Board of Trustees shall have all powers afforded to it by the laws and regulations of the United States and the Commonwealth of Kentucky.

## ARTICLE VIII

### INITIAL TRUSTEES

The number of Trustees constituting the initial Board of Trustees shall be three (3). The initial Trustees were appointed by the President of Kentucky State University upon authorization by the Board of Regents of Kentucky State University, which granted said authorization for the purpose of establishing the Corporation. The initial Trustees shall serve for no longer than one (1) year following the date of incorporation, unless otherwise appointed by the Board of Regents of Kentucky State University to serve a new three-year term.

The names and mailing addresses of the initial Trustees are:

Marcus K. Bernard, Ph.D.

[REDACTED]

Michael D. Dailey, Ph.D.

[REDACTED]

Wendy D. Dixie, Ed.D.

[REDACTED]

## ARTICLE IX

### OFFICERS

The Trustees shall, in the manner provided by in the bylaws, elect a chair, vice chair, and treasurer from among themselves. The Board of Trustees shall appoint a secretary who need not be Trustees of the Board. The Chief Executive Officer shall be the Vice President of Institutional Advancement and External Relations at Kentucky State University. Shall a vacancy occur, the Chair of the Kentucky State University Thoroughbreds Foundation shall serve until the new Chief Executive Officer is appointed by the President of Kentucky State University. The Chief Executive Officer shall be responsible for the day to day management of the Kentucky State University Thoroughbreds Foundation, Inc.

The terms and duties of each officer shall be as provided in the bylaws. From time to time, the Board of Trustees may establish and provide for other officers and employees and prescribe their terms and duties.

## ARTICLE X

### CONFLICTS OF INTEREST

All Trustees and officers of the Corporation will annually disclose any conflict of interests and abide by the established Conflict of Interest Policy.

## ARTICLE XI

### INDEMNIFICATION

The Corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, Trustee, or employee of the Corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties, and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity. However, no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the Corporation. It is further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of Trustees who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors, and administrators of persons entitled to indemnification hereunder. The right of indemnification under these Articles of Incorporation shall be in addition to, and not exclusive of, all other rights to which any person may be entitled.

No amendment or repeal of the provisions of these Articles of Incorporation which adversely affects the right of an indemnified person under these Articles shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by, or was made with the written consent of, such indemnified person.

The Board of Trustees of the Corporation is authorized and empowered to purchase insurance covering the liabilities and obligations of the Corporation and insurance protecting the Trustees, officers, and employees of the Corporation.

## ARTICLE XII

### DURATION AND DISSOLUTION

The period of duration of the Corporation shall be perpetual or until dissolved through a majority vote by the members of its Board of Trustees that authorizes such dissolution. In the event of dissolution of the Corporation, all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provisions shall be made therefor. Following any such payments and discharges, any and all assets of the Corporation shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed or conveyed to Kentucky State University. Should Kentucky State University no longer be an entity, all assets will be transferred to the federal government, or to a state or local government, for a public purpose.

## AMENDMENTS

Wendy D. Dixie

# Conflict of Interest Policy

*Approved and Adopted on August 2, 2024 unanimously by the Board of Trustees of the Kentucky State University Thoroughbreds Foundation, Inc.*

## Article I - Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace any applicable federal and Kentucky laws governing conflict of interest applicable to nonprofit and charitable organizations.

## Article II Definitions

1. Interested Person - Any Trustee, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
  - d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial.

A financial interest isn't necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## Article III Procedures

1. Duty to Disclose – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

#### 4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### Article V Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.



## Article VI Annual Statements

Each Trustee, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

## Article VII Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

## Article VIII Use of Outside Experts

When conducting the periodic reviews, as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.