

MOTION

Amend the By-Laws of the Marion Military Institute Alumni Brigade

MOTION: I move to repeal and remove Addendum 1 Endowment cited below from the By-Laws of the Marion Military Institute Alumni Brigade.

Francis L. Baker, '72 '74
Director, MMI Alumni Board

Addendum 1

ENDOWMENT

Endowment The Brigade shall have an Endowment Fund consisting of such funds as the Board may designate for its use and such gifts and bequests as may be made from time to time to the Brigade for addition thereto, and such other funds as may be transferred thereto from time to time by the Board.

- (a). The Endowment Fund shall be kept separate and apart from other funds of the Brigade.*
- (b) The principal of the Endowment Fund shall not be disposed of, in whole or in part (other than for reinvestment in accordance with the policy guidelines adopted by the Board), except pursuant to the approval of two-thirds of the Regular Members or Life Members of the Brigade present at an annual meeting, and provided that written notice of the proposed disposition shall have been given to the Regular Members or Life Members at least 30 days prior to the meeting. The foregoing provisions concerning disposition of the principal of the Endowment Fund and the required approvals therefor and this sentence may not be amended, altered, or repealed except pursuant to the approval of two-thirds of the Regular Members or Life Members of the Brigade present at an annual meeting, and provided that written notice of the proposed change shall have been given to the Regular Members or Life Members at least 30 days prior to the meeting.*
- (c) The income from the investment of the Endowment Fund may be used to finance the Brigade programs and activities, and for such other purposes as The Board may deem appropriate.*

CONTEXT for the MOTION

Historical: The Alumni association was formed in Birmingham approximately 20 years ago ostensibly to build support throughout the MMI alumni to support the continuation of Marion Military Institute. A small number of faithful alumni gathered, drew up the By-Laws and contributed seed money for an Endowment. Understanding the venture they were launching would succeed them, they expressly stated in the association By-Laws was the creation of an Endowment for perpetual support to MMI, and to ensure the funds were used expressly for that

purpose, those By-Laws, as shown above, were written in such a manner as to require 2/3 of the Regular or Life Members voting at an annual membership meeting to lift the restrictions placed on these funds in the existing By-Laws.

After approximately 10 years of the existence of the Alumni association first as a Battalion, then renamed a Brigade, the MMI Foundation was incorporated and began operation. The success of the MMI Foundation has far surpassed the Alumni Brigade in raising millions of dollars for the support of MMI.

Current: Over the last two years, under the leadership of Lewis Shirley, President of the Alumni Brigade, a committee undertook the rewriting of the Alumni Brigade By-Laws. The previous By-Laws allowed By-Laws to be changed by the Alumni Board of Directors. The By-Laws committee proposed and the Board of Directors approved in the new By-Laws that future changes to the By-Laws would have to be approved by the general membership vice the Board of Directors. The language regarding the Alumni Brigade Endowment remains in the current By-Laws. Changes to the By-Laws must be made by the general membership at the annual meeting and therefore, the Board is making a motion to repeal and remove this language from the By-Laws.

At the 2017 MMI Alumni Brigade annual membership meeting, the Board of Directors sought and received general membership approval in accordance with the provisions of Addendum 1 Endowment to realign the funds segregated as described in this paragraph to the MMI Foundation for enhanced financial oversight and management.

Rationale: The rationale for the motion to repeal and replace Addendum 1 is to align the Alumni Brigade with the present organizational relationships that exist between Marion Military Institute, Marion Military Institute Foundation, and the Marion Military Institute Alumni Brigade and to leverage the superior fundraising and financial management skills and abilities of the MMI Foundation to maintain an effective Endowment supporting the Marion Military Institute.

Although the same resources have been placed with the MMI Foundation, they remain under the control of the Alumni Brigade Board of Directors and are accounted for separately in quarterly financial statements prepared for the Board by a Certified Public Accountant firm. The Board considers these funds as Investment funds to support the work of the Alumni Brigade and are no longer considered to be seed for a larger Endowment.

Incidentally, there were sufficient surplus funds from the Alumni Brigade activities last year that the Brigade was able to allocate \$ 10,000 to the Investment Fund at the end of the year.

RECOMMENDATION

Respectfully, the MMI Alumni Brigade Board of Directors recommend the general membership **APPROVE the repeal and removal of Addendum 1 Endowment** from the By-Laws of the Marion Military Institute Alumni Brigade By-Laws.