



SUNY DOWNSTATE Medical Center

**Faculty Student Association
of Downstate Medical Center, Inc**

August 2010

FSA Board of Directors Handbook 2010-2011

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FSA Budget 2010-2011

Bylaws

FSA Website: www.downstate.edu/fsa

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SUNY DOWNSTATE Medical Center

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Faculty Student Association of Downstate Medical Center, Inc

General FSA Corporate Summary

The Faculty Student Association of Downstate Medical Center, Inc. (FSA) is an auxiliary service corporation founded in 1950 to provide the ancillary services for SUNY Downstate Medical Center. The State University of New York established these independent not-for-profit IRS 501c3 corporations in order to provide the ability to operate auxiliary business enterprises on the State campuses. This separate corporate entity allows the business related entities to operate without the more cumbersome burdens of operating under the many State regulatory agencies imbedded within NY State's Constitution and Finance Laws. Each of these corporations has Boards of Directors consisting of Administrators appointed by the campus President, Faculty selected by the appropriate faculty representative groups, and Students selected by the appropriate student representative groups (see attached Board Member listing).

FSA is a New York not-for-profit corporation that is governed by a set a statutes known as the New York Not-for-Profit Corporation Law ("NPCL"). As an independent corporation, the management of the corporation is vested in the corporation's Board of Directors. The corporations have a contract with the State University of New York which delineates the types of services and space assigned at each campus. The contract, typically for a term of five years, is executed by the campus President, the Corporation President, the SUNY Vice Chancellor for Finance and Business, the NYS Comptroller and Attorney General. The contract delineates the procedures and guidelines for corporations as adopted by the SUNY Board of Trustees. These guidelines set forth how the corporation interacts with the campus, reserve requirements for stable corporate finances, payment to the SUNY general fund for utilities and space use, as well as the corporation's financial reporting requirements. Businesses and services provided by the Corporation generally fall into two categories: those operated directly by the Corporation and those provided through sub-contracts to outside vendors.

The FSA at this campus is relatively small in comparison to other SUNY campuses. The FSA has a 16 member Board of Directors (four faculty, six students, and six administrators) and operates on a fiscal year which begins on June 1st and ends on May 31st of each year. The FSA Business Office operations provides substantial assistance to the HSCB Foundation, Inc. Accordingly, the Foundation shares the cost of the business office staff expense with FSA.

In general, FSA operates on a modest net income margin in order to maintain all current operations, maintain financial soundness, cover overhead and provide a moderate level of programming funds within the SUNY Board of Trustee Guidelines on Corporate Equity. Any net excess revenue over expenses are retained and reinvested on the campus.

Additional Info on FSA Services, Board Policy & Procedures, and forms are available online at www.downstate.edu/fsa

State University of New York Downstate Medical Center
450 Clarkson Avenue; Box 1219, Brooklyn, NY 11203-2098 Telephone:718-270-3187

FSA Services

FSA provides some services as direct operations with FSA paid employees, and other services through subcontracted operations with contractor paid employees as follows:

Services Directly Provided by FSA:

- | | |
|---------------------------------------|-------------------------|
| 1. University Bookstore | Student Center Room 232 |
| 2. Theatre Ticket Service | Student Center Room 203 |
| 3. Mobile Vending Licensing | Student Center Room 203 |
| 4. Trust & Agency Accounting Services | Student Center Room 203 |
| 5. Student Activity Fee Accounting | Student Center Room 203 |

Services Provided through Sub-Contracts:

<u>SERVICE</u>	<u>CONTRACTOR</u>	<u>LOCATION</u>
1. ATM/Banking	JP Morgan Chase Bank	BSB Lobby Rm 1-5
2. Café 101	Café 101, Inc.	Student Center Rm 221
3. Commencement Photography	Chappel Graduation Images Inc.	NA
4. Gift Shop	Lori's Hallmark, Inc.	University Hospital A1-376
5. Laundry Machines	Mac-Gray Services Inc.	440 Lenox, 811NYA, 825NYA
6. Patient TV & Telephone Rental	TV Rental Company	University Hospital A1-705
7. Student Health Insurance	HSAC	NA
8. Vending Machines	Intellivend LLC	Campuswide
9. Zipcar	Zipcar Inc.	Parking Garage, 135 34th St.

2010-2011 FSA Board of Directors:

Student Directors

Patricia Bettinger, GRAD
Monique Cunnin, SPH
Francesca Decker, COM
Khalid Mohammed, CHRP
Boris Mozer, CON
Andre Plair, COM

Faculty Directors

Shirley Eisner, COM
Joanne Katz, CHRP
Yvonne Nathan, CON
Julie Rushbrook, GRAD

Administration Directors:

Richard Bentley
Paul Davis,
William Gerdes,
Meg O'Sullivan,
Lorraine Terracina,
Vacant (CFO)

BOARD OF DIRECTORS Responsibilities; General Summary

This basic summary is given to provide you with a broad understanding of the legal nature of your service as a Director – a voting member of the Board of Directors. From a legal perspective, the role of “director” is defined in the NY Not-For-Profit Corporate Law (NPCL). **The basic premise is that a not-for-profit corporation is managed by its board of directors acting as a body - individual directors have no power to take action on behalf of the corporation; only the board as a whole.** The board can delegate responsibilities, e.g., to committees or employees, but it is ultimately responsible for the workings of the corporation. NPCL defines the duties of Directors (Board Members) as having Duties of Fiduciary Responsibility, Care, and Loyalty for the corporation.

Directors are required to discharge their duties in good faith, with the degree of diligence, care and skill that an ordinarily prudent person would exercise under similar circumstances in like positions. In large part, this means using common sense, practical wisdom and informed judgment. The law does not penalize directors for an incorrect decision so long as that decision was reasonably and prudently made, i.e., it was carefully considered, outside advice was sought where necessary, there was open and frank discussion, and after all of that the directors reached a decision in good faith. Directors may rely on advice from others and on the corporation’s financial statements where those have been properly prepared, but such reliance is governed by the same good faith, prudent person standard.

Directors must vote and make decisions based on the best interest of the entire organization, not on the basis of personal preference or personal gain. NPCL prohibits self-dealing, such as a corporation may not make loans to its officers and directors. Also, if the corporation does business with another entity in which a director has an interest, that interest must be fully disclosed or the arrangement between the two entities can be voided. In addition, a director cannot take personally an opportunity that properly belongs to the corporation. Corporations like FSA, which are exempt from federal tax as 501(c)(3) organizations, also are subject to IRS rules requiring that any transaction between the corporation and a director (or relatives of or businesses owned by a director) be at fair market value.

Confidentiality: Matters discussed, decisions taken at Board or committee meetings are confidential to the corporation and should not be disclosed outside the corporation until there has been a general public disclosure or unless the information is a matter of public record or common knowledge, or specified to be disseminated to constituents. Directors are not spokespersons for the corporation; corporate activities should be made only through the corporation’s designated spokesperson, usually its President. The minutes of FSA’s regular board meetings, its annual certified financial statements, and its annual budgets (and any revisions) are considered public information under SUNY guidelines. FSA (and all other non-profit corp’s) annual IRS filing is public and is posted on the internet at www.guidestar.org.

Directors’ actions must conform to other federal, state and local laws and regulations, and to its own internal laws, such as its Certificate of Incorporation, bylaws, and policies and procedures. FSA must

comply with any applicable campus policies, with SUNY guidelines governing auxiliary service corporations, and with the terms of FSA-SUNY contract. Directors are accountable to:

1. The corporation: Directors are responsible to protect and advance the corporation's interests.
2. Constituency served by the corporation, i.e., those to whom the corporation's purposes are directed, acting for the benefit of the entire constituency, not just a particular group of beneficiaries or other directors.
3. The public-at-large, and ultimately New York State.

Directors are expected to attend board and committee meetings regularly and carefully review all material prepared for or reviewed at these meetings, such as committee reports and financial reports. A director is held responsible for all actions of the board, whether or not she was present at the meeting where the action was taken, unless she voted against the action or went on record as objecting. FSA keeps good minutes and other records, including presence of corporate Counsel (attorney) to help assure and prove that a board is operating correctly. Meetings are held on proper notice and have applicable quorum of directors present.

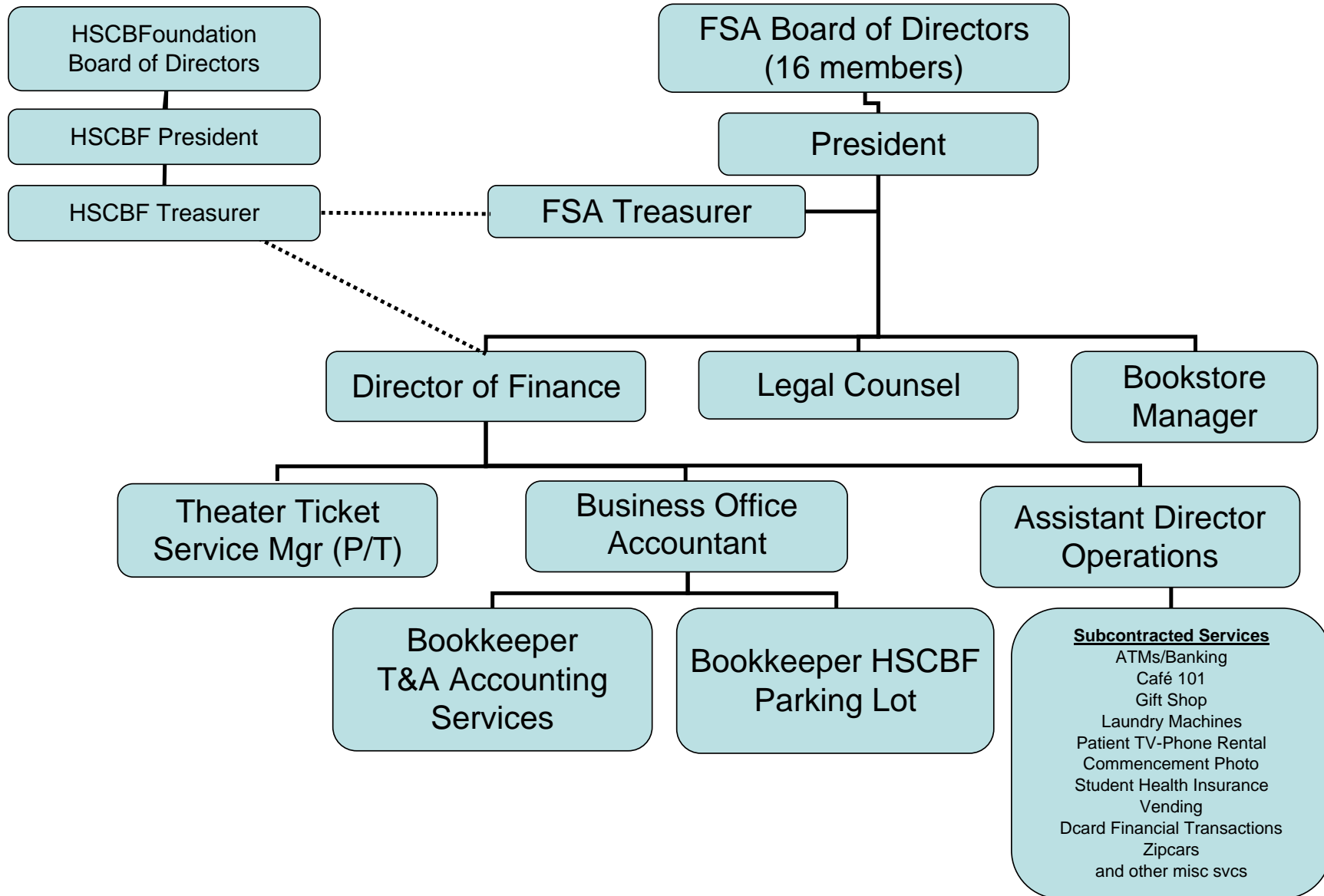
DIRECTOR AND OFFICER LIABILITY: Directors and officers are not personally liable for the debts, liabilities or obligations of the corporation if they fulfill their duties properly if they have exercised the standard of care required. FSA will indemnify a director against the reasonable expenses, including attorneys' fees, that she actually and necessarily incurs in connection with defending or appealing an action, except in relation to a matter where the director or officer is judged to have breached her duty to the corporation. **FSA has directors' and officers' liability insurance to fund such indemnification. There is NO indemnification if the officer or director is guilty of personal negligence, e.g., did not act in good faith or did not reasonably believe his or her actions to be in the best interest of the corporation.** Under NPCL § 720-a, a volunteer (uncompensated) officer or director of a 501(c)(3) organization is not liable to any person based solely on her conduct in the execution of her office unless her conduct constituted gross negligence or was intended to cause the resulting harm.

Under the federal Volunteer Protection Act of 1997, a volunteer director or officer is not liable to third parties for harm he or she causes if the officer or director: 1.was acting within the scope of his or her responsibilities; 2.did not cause the harm by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individuals harmed; 3.was not engaging in conduct that constitutes a violation of civil rights law, a hate crime, a crime of violence, or a sexual offense; and 4.was not under the influence of alcohol or drugs.

The Sarbanes-Oxley Act (July 2002) federal law imposed many new requirements on publicly owned companies, and their officers, directors and advisors. Most provisions in Sarbanes-Oxley do not apply to nonprofits, but provisions relating to penalties for obstruction of justice, including through document destruction or retaliation against whistleblowers, DO apply to nonprofits. Its concepts and requirements can and should be adopted by nonprofits to help ensure financial stability, good governance, and public trust. Sarbanes-Oxley concepts may become the "standard" for determining what constitutes the diligence, care and skill a reasonable person would exercise in carrying out his or her duties as a nonprofit director or officer.

While there is an enormous volume of Law that applies to corporations, the above overview provides only a basic awareness for those serving as Directors on the Board. In Financial matters, **It is understood that not every Board member is fully versed in financial accounting and while we make every effort to give information in an understandable format, Directors should always feel comfortable requesting more information or explanation of matters presented to the Board. The FSA officers, staff, and Counsel (attorney) are available to all FSA Directors for consultation on any related matter.**

Faculty Student Association of Downstate Medical Center, Inc
Organizational Chart May 2010



**FACULTY STUDENT ASSOCIATION
OF DOWNSTATE MEDICAL CENTER, Inc
Board Approved Budget FY 2010/2011**

	F.S.A.	Campus Store	Ticket Office	Gift Shop	Vending Operations	Food Services	Patient TV & Phones	Laundry Operations	Chase ATM	Student Hlth Insur.	Trust and Agency A/C	Downstate Card	Program Expenditure	2010/2011 BUDGET
REVENUES:	-													
- Sales	-	855,000	69,960	-	-	-	-	-	-	-	-	-	-	924,960
- Cost of Goods Sold	-	(645,525)	(39,115)	-	-	-	-	-	-	-	-	-	-	(684,640)
- Commission on Sales	-	-	-	25,000	52,000	15,600	60,000	15,000	8,400	7,128	-	-	-	183,128
- Faculty Student Association Fees	202,701	-	-	-	-	-	-	-	-	-	13,719	-	-	216,420
- Student Activity Fee	-	-	-	-	-	-	-	-	-	-	6,520	-	-	6,520
- Interest Income	1,200	-	-	-	-	-	-	-	-	-	-	-	-	1,200
- Other Income/ Recovery from Contracts	-	6,000	4,860	-	-	-	-	-	-	-	-	3,200	-	14,060
- Salary Recovery from Foundation or State	206,456	-	-	-	-	-	-	-	-	-	-	-	-	206,456
Gross Profit	410,357	215,475	35,705	25,000	52,000	15,600	60,000	15,000	8,400	7,128	20,239		-	868,104
EXPENSES:														
- Salaries	251,330	129,818	26,296	-	-	-	-	-	-	-	-	-	-	407,445
- Payroll Taxes & Employee Benefits	62,523	42,802	3,811	-	-	-	-	-	-	-	-	-	-	109,136
- Supplies	12,000	600	2,392	-	-	-	-	-	-	-	-	-	-	14,992
Cost of Contracted Maint. & Services	-	-	-	-	-	-	-	-	72	-	-	-	-	-
- Insurance	13,000	-	-	-	-	-	-	-	-	-	-	-	-	13,000
- Depreciation	20,304	-	-	-	-	-	-	-	-	-	-	-	-	20,304
- Telephone	1,380	1,020	-	384	-	450	-	-	-	-	-	-	-	3,234
Other & Office Expenses	49,820	27,232	-	-	-	-	-	-	-	-	-	-	-	77,052
Downstate Debit Card Application	-	-	-	-	2,400	-	-	800	-	-	-	3,200	-	-
- Hospital Programs	-	-	-	-	-	-	-	-	-	-	-	-	28,500	28,500
- Campus Organization Programs	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
- Student Activity Fee Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	5,334	5,334
Total Direct Expenses	410,357	201,472	32,499	384	2,400	450	-	800	72	-	-		36,834	685,268
Excess Revenue Before Allocation of G&A Exp.	(0)	14,003	3,206	24,616	49,600	15,150	60,000	14,200	8,328	7,128	20,239	-	(36,834)	182,836
General and Administrative (G&A) Expenses	-	13,104	2,197	16,250	39,000	11,700	39,000	11,250	6,300	5,250	20,239	-	-	164,290
Excess (Deficiency) Over Operating Expenses	(0)	899	1,009	8,366	10,600	3,450	21,000	2,950	2,028	1,878	-	-	(36,834)	15,346

**BY - LAWS
OF THE
FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.¹**

ARTICLE I- MEMBERSHIP

Section 1; Members

Corporation general membership shall be open to all members of the faculty, student body and administration of the college. The President of SUNY Downstate Medical Center shall be a member ex officio.

Representatives of the membership, hereafter designated as "members" in these By-Laws, shall consist of faculty, administrators and students of SUNY Downstate Medical Center. These groupings shall, hereafter, be referred to as "categories."

Four faculty members consisting of one member from College of Medicine, College of Health Related Professions, College of Nursing and the School of Graduate Studies. The members from each unit will be selected in a manner determined by the Committee of the Faculty of each unit.

Six administrative members² shall be appointed by the Chief Administrative officer of the campus. These appointees shall continue as members until replacements are appointed.

Six student members consisting of two members from the College of Medicine and one each from the College of Nursing, the College of Health Related Professions, School of Public Health, and the School of Graduate Studies. The College of Medicine student members shall be the President & Treasurer of the Medical Student Council. The student representative for all other Colleges shall be the President of their respective Student Council.³

Section 2; Resignation of Members.

Any member may withdraw from the corporation by presenting to the Secretary a written resignation. In the event of the resignation of a member, a new member shall be appointed or elected in the same manner as was the resigned member to complete the term.

¹ Revised Corporation Name from "Faculty Student Association of the State University Medical Center at NYC, Inc." to "Faculty Student Association of Downstate Medical Center, Inc." in August 2003.

² Revision passed by the FSA Board of Directors March 7th, 1984 and accepted by the Vice Chancellor for Finance and Business on March 26th, 1984 to "Increase the Administrative Members to five. Revision passed by Board in April 2006, approved in June 2006 to six"

³ SUNY approved by William H. Anslow, SUNY Vice Chancellor for Finance and Business on 2/3/94 to "revise selection of Medical Student representatives, institutional name, and duties of President and Treasurer" as noted herein. SUNY approved by Jeff McGrath, University Controller on 8/9/10 replacing one COM with one School of Public Health student seat.

ARTICLE II - MEETINGS

Section 1; Annual Meeting.

The annual meeting of members for receiving the annual report of the Directors and for the transaction of other business shall be held on the second Wednesday in November each year. Written notice thereof shall be mailed by the Secretary to each member not less than ten or more than thirty days before the meeting. Such notice shall state the purpose, included in an agenda for which the meeting is called, and the time and place where it is to be held.

Section 2; Special Meetings.

Special meetings of the members may be initiated by the Board of Directors at any time, and shall be called by the President of the F.S.A. upon written request of three members. Notice of special meetings shall be given in the same manner as prescribed for the annual meeting.

Section 3; Meeting Quorum.

A majority of the members or their proxy shall constitute a quorum for the transaction of any business provided, at least, one member is present from each category of membership. If a quorum is not present, a new meeting will be scheduled for not more than ten days later and a written notice of such a meeting shall be mailed not less than one week prior to the rescheduled meeting.

Section 4; Voting Procedures and Proxies.

Every member shall be entitled to one vote. Members may vote by proxy which shall be executed in writing by the member to another member and may be revoked at the pleasure of the person executing it, and further provided, that the proxy shall be valid only for a given meeting.

ARTICLE III - DIRECTORS

Section 1; Director Members.

The Board of Directors shall consist of all the members stipulated in Article I, Section 1 of these By-Laws.

The President of SUNY Downstate Medical Center shall not be a director or officer of the corporation but shall be invited to attend all meetings of the Board of Directors and, furthermore, shall receive a copy of the minutes of all meetings of the Board.

The Board of Directors shall have control of the property and affairs of the corporation; fix its policies; have power to hold meetings; appoint committees; employ necessary staff and employees; authorize proper steps to carry out the purposes of this corporation and promote its best interests; and employ necessary corporation staff and employees.

Section 2; Regular Meeting Notices.

Regular meetings of the Board of Directors shall be held immediately after the annual meeting of members and no separate notice thereof need be given.

Section 3; Special Meeting Notices.

Special meetings of the Board of Directors may be called by the President, Vice President or by the request of three members of the Board. Notice of such meetings shall be made in the same manner as stipulated in Article II, Section 1 of these By-Laws.

Section 4; Quorum.

A majority of the Directors shall constitute a quorum for the transaction of business provided, at least, one member is present in person or by proxy for each category of membership. If a quorum is not present, the President shall call a meeting in the same manner as stipulated in Article II, Section 3 of the By-Laws.

Section 5; Proxies.

Proxies shall be executed in the same fashion as for members.

Section 6; Vacancies.

A vacancy on the Board shall be filled by a new member who is elected or appointed as stipulated in Article I, Section 2 of the By-Laws.

ARTICLE IV - OFFICERS

Section 1; Corporate Officers.

The officers of the corporation shall consist of a President, Vice President, Treasurer and Secretary.

Section 2; Election of Officers.

The officers of the corporation shall be elected by a simple majority by the Board of Directors from its membership at the annual meeting of the Board following the annual meeting of the members.

Section 3; Term of Office for Officers.

The President and the Vice President shall hold office for a term of one year but may be re-elected.

Section 4; Duties and Powers of Officers.

The powers and duties of the officers shall be as follows:

President: The President shall function as the Chief Executive Officer of the corporation⁴. The President shall preside at all regular and special meetings of the Board of Directors and of the Members of the corporation. He/She shall appoint all committees, with the consent and approval of the Board of Directors. He/She shall present reports, suggestions or communications as he/she may deem necessary. He/She shall enforce these By-Laws; cause all books and records to properly be kept; and cause all meetings to be called as herein provided. He/She shall also perform such other duties as shall be delegated to him/her by the Board of Directors, and shall be a member ex officio of all committees, with the right to vote.

Vice President: The Vice President shall perform the duties of the President in case of the absence of the President or in case of his/her inability to perform his/her duties.

Secretary: The Secretary shall serve all notices required by these By-Laws or by law; shall keep minutes of all the meetings of the Members and of the Board of Directors; conduct all the corporation's correspondence; maintain a list of all members, notify all persons of their election as Directors, officers or members of committees; prepare an annual report of the transactions of the corporation; keep the corporate seal; perform all the customary duties of a secretary; and perform all such other duties delegated by the Board of Directors.

Treasurer: The Treasurer shall function as the Chief Financial Officer of the corporation⁵. He/She shall present at the annual meeting a certified annual report pursuant to Section 46 or the membership Corporation Law of the State of New York showing the whole amount of real and personal property owned by the corporation, where located and where and how invested, the amount and nature of the property acquired during the year immediately preceding the date of the report and the manner of the acquisition; the amount applied, appropriated or expended during the year immediately preceding such date, and the purposes, objects or persons to or for which such applications, appropriations or expenditures were made; and the names and the places of residence of the persons admitted to membership during such year. Each report shall be filed with the records of the corporation and an abstract thereof entered in the minutes of the proceedings of the annual meeting. The Treasurer shall institute and supervise procedures to receive and deposit in banks; and in other money instruments to be approved by the Board of Directors all the moneys of the corporation and keep an accurate account thereof; sign contracts; sign checks; make report of the finances of the corporation annually and whenever requested by the President. At the end of his/her term he/she shall deliver to his/her successor all books, money and other property of the corporation to give such security as they may direct for the faithful performance of his/her duties.

ARTICLE V - COMMITTEES

Section 1; Committees of the Board.

Special committees may be appointed by the President at any time with the consent and approval of the Board of Directors.

Section 2; Committee Business.

A majority of any committee shall constitute a quorum for the transaction of business. Committees may be dissolved by the President at any time with the consent and approval of the Board. The Chairperson of each committee shall be appointed by the President.

ARTICLE VI - ASSETS AND FUNDS

Section 1. No member, director, officer or employee of the corporation shall have any right in, or title to the funds or property of the corporation or its earnings. The funds, property and other assets of the corporation shall be owned exclusively by the corporation.

Section 2. All monies, property or other assets received by the corporation shall be deposited in bank accounts and in other money instruments in the name of the corporation and shall be used solely to pay all proper expenses of the corporation.

Section 3. In case of dissolution of the corporation, the funds, property and other assets then remaining after payment of all just debts and

obligations of the corporation shall be transferred and granted to such other charitable or philanthropic organization or organizations as in the judgment of the Board of Directors shall be qualified and competent to further the interest of the Health Science Center at Brooklyn of the State University of New York or its students.

ARTICLE VII - AMENDMENTS

Section 1. These By-Laws or any part thereof may be amended, repealed or changed by a majority of the Board of Directors at any regular meeting or special meeting of the Board of Directors called for the purpose.

Initially Approved by Harry K. Spindler, Vice Chancellor for Finance and Business on September 27th, 1982.