

FSMAA Board Position on Contract with SUNY/Maritime College

As most of you know for many years the FSMAA has sought to establish a working relationship with the college since being dismissed from campus in 2001. Several past efforts to re-establish a working relationship over the years have stalled for a variety of reasons. The State of New York requires Alumni Associations to enter into a contract with the State and unfortunately the terms of the contracts presented have been viewed as unacceptable to the FSMAA.

For the better part of the last two years an FSMAA Board committee has been negotiating a modified version of the model contract with the College and the State. It began with the model New York State Contract and based on standard New York Contract Clauses and Guidelines for Alumni Associations, much of which conflicted with the purpose, independence and sustainability of the Alumni Association as a fraternal organization. After extensive negotiations we feel we have achieved some significant waivers and also understand thoroughly the risks to the FSMAA. We have highlighted some of the significant waivers achieved as well as outlined the potential risks to our organization.

Significant Achievements & Benefits:

- The Alumni Association "AA" remains an independent not-for-profit charitable corporation, autonomous in its management, operation and voice.
- The AA remains a Delaware Corporation (as required by some significant donors).
- The AA retains the operating funds currently in its account and continues to manage the donations that it has been entrusted with (Financially independent).
- The AA has the right to terminate the contract upon 45 days written notice.
- Upon termination by either party, the AA retains the assets of the AA. (remain financially independent and viable if the contract is terminated).
- Upon termination, the AA may retain a copy of the shared database. (In order to operate independently).
- The AA will have the right to conduct agreed upon specific fundraising activities to support the operating expenses of the AA.
- The AA will have the right to continue direct Summer Sea Term Scholarship fund raising.
- The AA will adhere to donor instructions if contributions are intended to remain with FSMAA.
- The AA will be "doing business as "Maritime College Alumni Association" (but remaining a Delaware Corporation, Fort Schuyler Maritime Alumni Association, Inc. - FSMAA).
- The AA will benefit greatly from increased access to the college and students, and as a result the AA and the College will be able to work together to ensure the long-term interests of the College and the Association.

Obligations and risks:

- The books, records, financial condition, operating results, and program activities of the Alumni Association are subject to periodic audit by the Office of the University Auditor, and to the extent allowed by law, by outside regulatory bodies. - NYS Alumni Association Guidelines

The power of audit is significant. The risk is that an extensive audit can be extremely costly to the association and can be used inappropriately. The association notes significant history on this issue.

- The Association shall be required to coordinate additional fundraising activities with the college for the specific benefit of the college, with exception of those clearly identified in exhibit D.

The AA will continue to operate and hold the same fundraising events we currently do to support our operating expenses and fraternal activities. Those have been identified as specifically benefiting the AA. This applies to any new fundraising activities and signifies that the AA will support the college in all aspects of fund raising.

- The Contract with SUNY will be subject to the Standard NY Contract Clauses and the State Guidelines, with exception of the specific waivers that we have negotiated.
- The college will grant license to the AA to share its database, primarily consisting of student and alumni information. The College may also make available facilities, personnel and equipment. The AA will be liable to the college for the proper, safe, and confidential use and maintenance of the data and anything else provided by the college.

The purpose of presenting this summary is to give the Alumni Association membership sufficient information to have a general vote of the entire Association membership as to whether or to not enter into the negotiated contract with SUNY. This is a basic summary of the most noteworthy elements of the proposed agreement. The committee believes it has obtained sufficient waivers to proceed with an adequate degree of safety in the agreement with the college.

The Alumni Association Board has unanimously voted to support the agreement and feels strongly that this agreement is in the best interest of all alumni, the College and the Alumni Association. It is our recommendation that the entire membership cast a vote of approval. An email with a vote invitation will go out shortly. A majority vote will decide whether the Association goes forward with the execution of the proposed contract.

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