



Policy Number: I.29
Policy Level: Operating Policy
Originally Issued: February 18, 2019
Reviewed: April 15, 2021
Reviewed: June 28, 2023
Policy Owner: President
Policy Implementation: Vice Presidents
SACSCOC Standard: 5.3

UNIVERSITY RELATED FOUNDATIONS

I. Policy Statement and Purpose

An institutionally related entity/foundation is an Alabama nonprofit corporation that is legally separate from the University, but dedicated to the support of the University. While these entities/foundations may perform a wide range of functions, they are established and organized solely for the University's benefit, and their primary purpose is to raise private gifts to supplement other institutional resources and to manage their distribution.

The purpose of this policy is to clearly define the legal authority and operating control of these institutionally related entities/foundations.

II. Requirements

It is understood that any fundraising activity of an institutionally related entity/foundation must be planned and conducted in close cooperation with the University, and that all such fundraising activities, as they relate to the University, its goals, and its programs, must be approved by the University President. The fundraising activities of the institutionally related entity/foundation must be defined in a formal, written manner to ensure that the activities further the mission of the institution.

In addition, the following information must be submitted in writing to, and approved by, the University before an entity/foundation can be recognized as institutionally related:

- 1) The related entity/foundation must be non-profit and incorporated under the laws of the State of Alabama for the regulation and management of its affairs.
- 2) An institutionally related entity/foundation shall obtain and maintain status as a tax-exempt charitable organization under State and Federal income tax laws so contributions and bequests to it will be deductible charitable contributions as provided by Federal income tax law.



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3) An agreement between the entity/foundation and the University must be submitted for consideration to include:

- a) the term of the agreement (how many years the agreement is binding)
- b) entity/foundation Name, Seal and Logotype
- c) the objective and mission of the entity/foundation
- d) the legal authority and operating control of the institution with respect to that entity
- e) the obligations/liability of the University
- f) the obligations/liability of the entity/foundation

- g) the responsibilities of the University in regards to fundraising
- h) the responsibilities of the entity/foundation in regards to fundraising, asset management, funding and administration, institutional flexibility, transferring of funds, accountability and reporting
- i) plan for distribution of assets in the event the foundation/entity is dissolved
- j) the agreement between the University and the institutionally related entity/foundation recognizes that each is an independent entity and that neither will be liable, nor held out to be liable, for the other's contracts, torts, or other act or omissions, or those of the other's trustees, directors, officers, members, staff or activity participants.

The final agreement will be signed by an authorized entity/foundation representative and the President of the University, with approval from the Board of Trustees.

4) The entity/foundation must also submit bylaws which, at a minimum, articulate the purpose and powers of the entity/foundation, election/duties of officers, meeting schedule, the operational year of the corporation, accounting/record keeping, and dissolution plan.



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III. **Responsibility for this Operating Policy**

Policy Owner

As part of the initial approval of this policy by the President and subsequent to the original dissemination of the policy, the President remains the policy owner for the ongoing evaluation, review, and approval of this policy. Subsequent reviews and revisions to this policy must be in accordance with approved operating policy procedures and processes.

This policy will be reviewed every two years or more frequently as needed by the Policy Owner. Revisions will be reviewed/affirmed by the Cabinet and approved by the University President. This policy will be updated/published in the University's Policy Library.

Responsibility for Policy Implementation

The President has assigned the responsibility of implementing this policy to the Vice Presidents.