



BOARD OF REGENTS POLICY: *Associated Organizations*

SECTION I. SCOPE.

This policy governs legal, financial, and other relationships of the University of Minnesota (University) with Associated Organizations and sets forth the University's expectations regarding the conduct of Associated Organizations relative to the University.

SECTION II. EXCLUSIONS.

Subd. 1. Recognized Foundations.

Recognized Foundations are Associated Organizations that are governed separately under other Board of Regents (Board) and University administrative policies.

Subd. 2. Registered Student Organizations.

Registered student organizations are regulated separately and shall not be classified as Associated Organizations.

Subd. 3. Booster Clubs.

Booster clubs are regulated separately and shall not be classified as Associated Organizations.

SECTION III. DEFINITIONS.

Subd. 1. Associated Organization.

Associated Organization shall mean a nonprofit corporation, foundation, partnership, or other entity exempt from federal and state income taxation:

- (a) whose primary purpose is to support the University or the University's mission and that uses substantial University resources, such as financial support, employees, or facilities, to accomplish its purpose; or
- (b) regarding which the University may be legally responsible for its activities and liabilities; or
- (c) whose financial condition or results of operations should be included or noted in the University's financial statements.

SECTION IV. GUIDING PRINCIPLES.

The Board intends to maintain excellent relationships with Associated Organizations, which are highly valued by the University and enhance the institution's ability to accomplish its mission. To that end, the University and Associated Organizations shall work cooperatively to ensure that Associated Organizations adhere to the highest standards of ethical conduct, employ sound fiscal and business practices, and comply with all applicable laws and University policies and procedures.

SECTION V. UNIVERSITY RECOGNITION.

Subd. 1. Recognition.

The University shall maintain a process for granting recognition to Associated Organizations. Criteria to be considered in deciding whether to grant recognition shall include:

- (a) the Associated Organization's commitment and capacity to undertake activities primarily to support the University or its mission and to enhance the University's stature;
- (b) the Associated Organization's commitment and capacity to adhere to the highest standards of ethical conduct in operating and managing its affairs and to avoid activities that undermine its credibility and reputation or the credibility and reputation of the University;
- (c) the Associated Organization's ability to employ sound fiscal and business practices, including internal controls adequate to ensure its activities are duly authorized and accounted for;
- (d) the Associated Organization's compliance with all applicable laws, regulations, University contracts, and University policies and procedures;
- (e) the Associated Organization's acceptance of University representation on its governing body and/or executive committee; and
- (f) the best interests of the University.

Subd. 2. Revocation of Recognition.

Recognition of an Associated Organization may be suspended or revoked (a) if the Associated Organization fails to adhere to University policy; (b) if the Associated Organization fails to adhere to the criteria specified in subd. 1 of this section; or (c) if, in the judgment of the president or delegate, suspension or revocation is in the best interest of the University. The process for revoking or suspending recognition shall be that established in a written agreement between the University and the Associated Organization or, in the absence of a written agreement, the process specified in University administrative policy.

SECTION VI. DELEGATION OF AUTHORITY.

The president or delegate is authorized to:

- (a) grant, suspend, or revoke recognition of an Associated Organization, provided that the president shall consult with the Board before a decision is made to suspend or revoke recognition of an Associated Organization whose activities substantially affect the University's interests;
- (b) enter into written agreements with Associated Organizations as necessary;
- (c) maintain appropriate administrative policies regarding recognition of and relationships with Associated Organizations; and
- (d) determine whether it is necessary to have University representation on the governing body and/or executive committee of a recognized Associated Organization.

SECTION VII. ORGANIZATIONAL REPRESENTATION.

The University shall have representation on the governing boards of recognized Associated Organizations as appropriate. Board representation shall be governed by Board of Regents Policy: *Appointments to Organizations and Boards* and/or University administrative policy.

SECTION VIII. PRIVILEGES OF RECOGNITION.

Subd. 1. Types of Support.

The University may provide support to Associated Organizations by, among other things:

- (a) leasing space, technology, or equipment;
- (b) directing designated University employees to provide agreed upon services;
- (c) permitting the use of selected University-owned names, logos, wordmarks, or other trademarks solely in promoting University-related activities; or
- (d) making available agency accounts to hold, manage, and disburse cash assets.

Subd. 2. Restrictions in Absence of Recognition.

Except as provided in policy or a written agreement with the University, a recognized Associated Organization whose recognition has been suspended or revoked may not receive the types of support specified in this section.

SECTION IX. FUNDRAISING AND DEVELOPMENT ACTIVITIES BY ASSOCIATED ORGANIZATIONS.

Funds raised by an Associated Organization on behalf of or in the name of the University, or intended by a donor to be used to support the University, shall be recorded, receipted, deposited, safeguarded, and disbursed according to a written agreement and/or administrative policy that shall require, among other things, compliance with all applicable federal or state regulations regarding gifts to tax-exempt charitable organizations.

SECTION X. WRITTEN AGREEMENTS AND ADMINISTRATIVE POLICIES.

Written agreements and/or administrative policies shall define cooperative working relationships with recognized Associated Organizations, addressing audits, financial review, program review, the provision of University support, and other relevant topics.

SECTION XI. PERIODIC REVIEWS.

Upon the University's written request, each recognized Associated Organization shall:

- (a) permit the University and its agents, including its independent auditors, to inspect its books and records; and
- (b) cooperate with the University's periodic review of its recognition as an Associated Organization and its programs and activities.

REVISION HISTORY

Adopted: March 9, 2007