

3349-1-190

APPENDIX B

Items Addressed in Memorandum of Agreement/Understanding

Governance Matters

Acknowledgment that Affiliate is legally independent from the University, and neither party assumes the other's liabilities.

Affiliate is identifiably separate from University.

University representation on Affiliate governing board.

Requiring reserve powers to be exercised by the University in certain actions by Affiliate, including University review/approval of new business ventures and subsidiaries or other entities.

Fundraising Affiliates organized and operated as non-profit, non-stock corporations.

Disposition of assets upon dissolution of Affiliate.

Creation of an audit committee of the governing board.

Adoption of policies on ethics, conflict of interest, whistleblowers, compensation, and procurement.

Provision of legal services.

Financial Matters

Requiring an accounting system with appropriate controls and reporting functions and an annual audit by an independent certified public accountant.

Annual adoption by the Affiliate governing board of a detailed operating budget and capital expenditure plan.

Transactions between Affiliate and University treated as ordinary business transactions, with proper review and approvals.

Provisions regarding use of University registered marks.

Recovery of costs incurred for provision of personnel, facilities, or services by the University.

Provision of administrative services by University to Affiliate.

Responsibilities for insurance.

Requiring an accounting system with reporting in accordance with GAAP.

Detailed operating budget and capital expenditure plan.

Officers/staff members bonded as appropriate; general liability and D&O insurance.

University's right to inspect books and records.

Requiring that no substantial part of operations devoted to lobbying/participating in political campaigns.

Requiring that no fees or remuneration shall be paid to University employees without University approval.