



# Affiliated Organizations

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## Policy Statement

The University recognizes the value of affiliations with external organizations whose missions are compatible with those of the University and whose activities will significantly assist the University in advancing and achieving its strategic goals. When entering into such affiliations, the University will exercise responsible stewardship over its tangible and intangible assets, manage its risks effectively, and institute effective financial and accounting controls.

## Reason for Policy

This policy sets forth standards and procedures for the selection of affiliated organizations and implementation of affiliate status. It is designed to:

- Identify the standards and means by which affiliated organizations are recognized
- Preserve the independence of any organization affiliated with the University
- Ensure that the relationship and interactions between the University and an affiliated organization are defined in an affiliation agreement that conforms with specified protocols

## Applicability of the Policy

This Policy applies to affiliated organizations as defined below and University officials who seek to pursue an affiliation for the institution or an academic or administrative unit thereof.

## Policy Elaboration – Standards and Procedures

### 1. Required Approvals

The following approvals must be obtained in order to grant affiliated organization status to an entity or to make an affiliation commitment of greater than three (3) years:

- a. Board of Trustees:
  - (i) affiliated organization status for an entity established *solely* for the benefit and support of the University or a University unit, program or activity
  - (ii) affiliated organization status for a for-profit corporation
  - (iii) affiliated organization status for an entity that is not incorporated, *e.g.*, unincorporated association
- b. The President: the award of affiliated organization status to an organization that exists for purposes unrelated or indirectly related to the University if, in the judgment of the President following consultation with the Board of Trustees, the mission and activities of the entity are compatible with those of the University and the affiliation will significantly assist the University in advancing or achieving its strategic goals.

## 2. Affiliation Agreement Requisites

All approvals of affiliated organization status are conditional upon the existence of a fully executed Affiliation Agreement between the University and the affiliate. Minimally, the Affiliation Agreement must:

- a. Define the mission of the affiliated organization and make clear the relationship between the affiliated organization and the University;
- b. Specify the rights and responsibilities of the affiliated organization and the University respectively, including the nature, extent, and cost of the affiliated organization's access to University resources, including facilities and services;
- c. Contain a provision or licensing agreement identifying the terms and condition, if any, under which the affiliated organization may use the University name, registered marks and/or logos, or other indicia of association with the University;
- d. Establish a reporting framework through which compliance with this policy and agreement prerequisites can be periodically verified including, without limitation, the right to inspect any affiliated organization books, records or other documentation relevant to the affiliation agreement;
- e. Contain a provision that the affiliated organization be reviewed annually to determine in accordance with Generally Accepted Accounting Principles its component unit status.
- f. Contain definition of fiscal year end and the accounting and reporting standards under which they will operate.
- g. Include hold harmless language and indemnification to protect the University appropriately from potential legal and financial liability;

- h. Describe the levels and categories of liability insurance to be carried by the affiliate and any required certification thereof;
- i. Be reviewed and approved in accordance with University contract approval protocols;
- j. Identify a University liaison who will have overall responsibility for coordination of activities and operations between UVM and the affiliated organization;
- k. Cite the grounds upon, and means by, which affiliated organization status may be suspended or revoked during the term of an Affiliation Agreement; and
- l. Be for a term of no longer than three (3) years unless otherwise approved by the University Board of Trustees

Relative to section 2.b. of this policy, access to University resources, including personnel, facilities, equipment, operations, services and systems, will be extended only pursuant to the Affiliation Agreement and as expressly approved by the Vice President for Finance and Treasurer following consultation with affected units and with due regard for existing and projected University needs.

**3. Component Unit Status.** Affiliated organizations will be required to participate in an annual determination of their component unit status by completing a questionnaire provided by the University's Controller's Office. Affiliated organizations that are determined to be a component unit based on this annual assessment will be required to conduct an annual audit of their financial statements and submit their audited financial statements to the University Controller no later than August 31 each year.

**4. Gifts, Grants and Contracts.** Gifts made and funds granted or appropriated to the University shall not be transferred to an affiliated organization except to fulfill the express terms and conditions of such gifts or awards. Affiliated organization grants and contracts administered through the University shall be expended and performed in full compliance with their terms and any applicable federal and state requirements, including without limitation those governing conflicts of interest, research misconduct, effort reporting, direct and indirect cost accounting, and human subjects and animal care. Except with the prior written approval of the University Vice President for Research, no affiliated organization shall conduct educational or research activities (including administration of a research grant or contract) that would be considered within the normal scope of the mission of the University or its academic units.

**5. Role of University Officers and Employees.** Members of the University Board of Trustees are subject to the Board's conflicts of interest policy with respect to their employment or service in relation to an affiliated organization. University officials and employees are subject to the University conflicts of interest and commitment policy with respect to their employment or service in relation to an affiliated organization.

## Definitions

An “**affiliated organization**” means an entity that is legally distinct from the University but is organized and operated for the benefit and in support of the University and/or conducts activities that advance the mission of the University. Unless otherwise expressly authorized by the University Board of Trustees, an affiliated organization must hold valid tax-exempt organization and corporate status under federal and applicable state law.

The definition of affiliated organization *excludes* the following:

- University-recognized student, faculty, or staff groups or organizations
- Advisory councils established under the auspices and direction of an academic or administrative official for the benefit of the unit
- Research sponsors
- Donors
- Licensees that do not otherwise have affiliate status
- University auxiliary enterprises
- Commercial contractors and vendors
- Consultants
- Lessors and lessees
- Labor unions
- Individuals, such as University retirees and alumni
- Institutions with which the University has programmatic affiliation agreements designed principally for student clinical program placements or scholar exchanges

## Procedures

See Policy Elaboration

## Forms

None

## Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Provost and Senior Vice President  
(802) 656-4400  
[Provost.Office@uvm.edu](mailto:Provost.Office@uvm.edu)

The Provost and Senior Vice President is the University official responsible for interpretation and administration of this Policy.

## **Related Documents/Policies**

Affiliated Individuals and Volunteers

[pending]

Computer, Communication, and Network Technology Acceptable Use Policy

<http://www.uvm.edu/policies/cit/compuse.pdf>

Conflict of Interest and Conflict of Commitment Policy

[http://www.uvm.edu/policies/general\\_html/conflictinterest.pdf](http://www.uvm.edu/policies/general_html/conflictinterest.pdf)

Contract Approval and Signatory Authority Policy

<http://www.uvm.edu/policies/procure/contract.pdf>

Facilities and Grounds Use Policy

<http://www.uvm.edu/~uvmppg/ppg/facil/facsched.pdf>

Group and Organization Recognition Policy

[http://www.uvm.edu/policies/general\\_html/grouprecognition.pdf](http://www.uvm.edu/policies/general_html/grouprecognition.pdf)

Trademarks Policy

[http://www.uvm.edu/policies/general\\_html/trademark.pdf](http://www.uvm.edu/policies/general_html/trademark.pdf)

University Name, Symbols, Letterhead and other Proprietary Indicia of Affiliation Policy

[http://www.uvm.edu/policies/general\\_html/letterhead.pdf](http://www.uvm.edu/policies/general_html/letterhead.pdf)

## **Effective Date**

Approved by the President May 16, 2017