



## Oregon State University Standards for Recognition of a Foundation

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### 580-046-0005

#### Recognition of a Foundation

(1) The Oregon State University Board of Trustees may award recognition as an institution foundation to an entity that meets and maintains the requirements of these Standards. Throughout division 046, “Board” refers to the Oregon State University Board of Trustees, “President” refers to the Oregon State University President, and “Foundation” refers to an institution foundation recognized by the Board.

(2) Unless otherwise agreed by the President and the Foundation Chief Executive Officer, all private gifts for the benefit of the University are to be paid to the Foundation and managed in accordance with donor intent for the benefit of the University. To maintain continued recognition as an institution foundation, the Foundation must:

- (a) Be operated with the primary purpose of support of the University;
- (b) Have as its purpose the solicitation and/or management and investment of private support for the benefit of the University; and
- (c) Be organized and operated in compliance with federal tax law, state nonprofit law, and these Standards.

(3) Procedures for Recognition:

- (a) The Foundation shall submit to the President its:
  - (A) Articles of incorporation;
  - (B) Bylaws; and
  - (C) Any other governing documents or policies as requested by the President.
- (b) The President will make a recommendation to the Board as to recognition of the Foundation.
- (c) The University and the Foundation shall execute a Recognition and Support Agreement that states the terms of their relationship and provides that compliance with these Standards is a condition of continued recognition.

- (d) The Foundation shall submit all amendments to the documents described in subsection (3)(a) of this Standard to the President for recommendation to the Board.

**580-046-0010**

**Privileges and Responsibilities of Recognition**

- (1) Privileges of recognition by the President may include:
  - (a) License to use the University name, logos, informal seals, symbols and marks; and
  - (b) Use of University resources in the manner provided by the Recognition and Support Agreement between the University and the Foundation.

(2) No individual, group or entity other than the Foundation or its approved subsidiaries shall use any of the privileges described in this Standard or otherwise make use of the University name or logos except as expressly approved by the University by license or contract.

**580-046-0020**

**Foundation Organization, Affiliates, Relationships**

(1) The Foundation shall be organized and operated in compliance with the Oregon Nonprofit Corporation Act.

(2) The Foundation shall be organized and operated exclusively for exempt purposes as provided in Section 501(c)(3) of the Internal Revenue Code.

(3) The Foundation's articles of incorporation shall require that, upon its dissolution, the Foundation's net assets shall, within the limitations imposed by legal and fiduciary rights and responsibilities, be distributed to the University or to another entity that has been awarded recognition by the University pursuant to OSU Standard 580-046-0005.

(4) The Foundation may establish or control another entity provided that the President approves the creation of the entity and the Foundation controls the entity in a way that is consistent with the requirements of these Standards and the Recognition and Support Agreement between the University and the Foundation. Any such other entity shall comply with these Standards, and shall have in its governing documents a provision that requires that all assets on dissolution be distributed to the Foundation or the University.

**580-046-0025**

**Foundation Independence from University**

(1) The Foundation shall be independent of the University.

(2) Except in limited circumstances approved in advance by the President and the President/CEO of the Foundation, the Foundation's governing body, employees and agents:

- (a) Shall not be subject to control by the University or a University employee;

- (b) Shall not give the appearance that the University or any of its officers or employees control the Foundation or its property, including investment of gifts and endowments made to the Foundation.

(3) No University employee may be a voting member of the governing body of the Foundation. No University employee may be an officer of the Foundation, and no Foundation employee may be an officer of the University.

**580-046-0030**

**President's Responsibilities, Additional Standards**

(1) The President shall be a non-voting member of the Foundation's governing body.

(2) The President shall monitor Foundation activities and Foundation relationships to ensure compliance with University Standards. The President may establish additional written policies and guidelines applicable to the Foundation consistent with these Standards.

(3) When applicable to a Foundation, the President shall assume a prominent role in fundraising and shall direct the Provost, Vice Presidents, Deans, and Athletic Director to work closely with Foundation leadership in building private support for the University.

**580-046-0035**

**Foundation and University Operational Procedures, Gifts, Accounts, University Support, Contracts**

(1) The Foundation and the University shall establish a process for reviewing and accepting all restricted gifts made to the Foundation for the benefit of the University.

(2) All private gifts in support of the University shall be paid to and managed by the Foundation. Revenue received from a University activity, other than through normal development activities, shall not be deposited in the Foundation's accounts.

(3) Salaries, consulting fees, loans, perquisites or other benefits provided to or on behalf of a University employee, other than a student employee, by the Foundation shall be:

- (a) Approved by the Board when paid to the President or other employee appointed directly by the Board.
- (b) Approved by the President in writing in instances where subsection (a) of this section does not apply.
- (c) Paid by the Foundation to the University, which in turn will make payments to the employee in accordance with normal University practice.
- (d) This subsection is not applicable to reimbursements for actual and necessary travel and other expenses incurred for authorized University or Foundation purposes.

- (4) University Contract with Foundation:
- (a) The University may provide pursuant to a written Recognition and Support Agreement limited and reasonable support to the Foundation, including but not limited to space use, the cost of utilities and janitorial services, access to University telephone, computing, printing and mailing, motor pool and similar services, and all or part of the salary and related personnel costs of staff support, from funds otherwise available to the University. As used in these Standards, staff support is assistance by any personnel whose responsibilities and activities exclude policy making and other functions that would nullify the independence of the Foundation from the University.
  - (b) The University shall contract with the Foundation regarding the terms and conditions for implementing these Standards and may contract for other purposes consistent with these Standards. Any such contract shall accurately and fully describe the extent of such use and support, and shall be approved by the President.

**580-046-0040**  
**Foundation Activities**

- (1) Financial and other activities of the Foundation shall be administered and reported in accordance with law, prudent business practices and generally accepted accounting principles.
- (2) Audits and Financial Reports of the Foundation:
- (a) The Foundation shall be audited annually by a certified public accountant. The audit report shall be provided promptly to the President. The audit report shall be accompanied by a current list of Foundation officers, trustees, senior staff and legal counsel.
  - (b) The Foundation shall permit the President, using University or outside auditors, to inspect and audit all Foundation books and records at reasonable times. The Foundation shall provide such reports of and information on its financial status and operations as required by the President in order to assure conformance by the University and the Foundation with these Standards.

**580-046-0045**  
**Revocation of Recognition**

- (1) The Board may revoke recognition of the Foundation if the Board finds that the Foundation or its operations conflict with these Standards or the mission of the University.
- (2) Prior to ordering revocation of recognition, the Board shall notify the Foundation's governing body of the reasons that could form the bases for revocation of recognition. Within 90 days of receipt of the Board's notification, the Foundation may in writing propose actions to remedy the deficiencies described by the Board.

(3) If the Board approves the proposed actions, the Foundation's governing body shall implement the proposals within a time specified by the Board.

(4) If the Board rejects the Foundation's proposed actions or finds that they are not adequately implemented, the Board may revoke recognition by a written order to the Foundation's governing body specifying the reasons for revocation.

(5) An order revoking recognition shall terminate all agreements between the Foundation and the University and will revoke the privileges of recognition.

(6) Upon revocation of recognition, the Foundation's net assets shall, within the limitations imposed by legal and fiduciary rights and responsibilities, be distributed to the University or to another entity that has been awarded recognition by the University pursuant to this Standard.

#### **Document History**

- Adopted by the Board of Trustees on October 16, 2015