

AFFILIATION AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____ 20____,

K H U H L Q F D O O H G 3 \$ I I L O L D W H ´

WHEREAS, as stated in its articles of incorporation, the Affiliate is a separately incorporated 501(c)(3) organization and is responsible for identifying and nurturing relationships with potential donors and other friends of the University, soliciting cash, securities, real and intellectual property, and other private resources for the support of the University; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities;

WHEREAS, this Affiliate is often closely identified with the University, if not in fact, at least in the perception of citizens, alumni, and contributors to the support and development of the University; and

WHEREAS, the University recognizes that gifts coming to the Affiliate are made with thoughtful care and with great affection for and devotion to the University for the purpose of supporting the University's research and public service mission and its students, faculty and staff;

WHEREAS, the Affiliate renders valuable support to and works very closely with the University; and

WHEREAS, the Affiliate and the University recognize their mutual interest in guarding against even the appearance of impropriety in their activities;

Affiliation Agreement

WHEREAS, it is, therefore prudent and beneficial for the University and this Affiliate to document clearly the relationship and their respective responsibilities and authority

NOW, THEREFORE, recognizing the importance of an agreement between the parties on acceptable standards and procedures for the accounting and auditing of accounts of the Affiliate, while at the same time preserving the private and independent status of the Affiliate the University and the Affiliate agree as follows

The Affiliate's Relationship to the University

1. The Affiliate is a separately incorporated 501(c)(3) -profit organization created to raise, manage, distribute, and steward private resources to support, advance, and promote the various missions of the University.
2. The Affiliate shall have sole and exclusive control and management of all assets of the affiliate, including the prudent management of all gifts consistent with donor intent.
3. The Affiliate is responsible for the performance and oversight of all aspects of its operations and fiduciary responsibilities, including expectations of individual board members based upon ethical guidelines and policies.
4. The Affiliate shall not engage in activities contrary to the objective of providing support to the University

Affiliation Agreement

The University's Relationship to the Affiliate

1. The University President or his/her designee should communicate the University's priorities and long-term plans to the Affiliate. The chief executive of the Affiliate should

Affiliation Agreement

vesting gifts and deferred gifts that are contributed in the form of planned and deferred gift instruments

2. The Affiliate may serve as an instrument for entrepreneurial activities for the university and engage in such activities as purchasing, developing, or managing real estate for university expansion, student housing, or retirement communities. It also may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by their parties, or engage in other activities to increase foundation revenue with no direct connection to a university purpose.
3. The books and records of the Affiliate shall be kept in accordance with generally accepted accounting principles.
4. When the Affiliate ~~KDV IXQGV LQ H[FHV V RI QRW QHHO RSHUDWLRQV board of directors will establish investment policies that adhere to applicable federal and state~~ [(wil)3(l)-76(est)0oa43(-)84(and)-68 Tm [(wil)3(l)-76(es

Affiliation Agreement

a. Approved Expenses

- 1) All disbursements by Affiliate for administrative and operating expenses shall be in accordance with policies adopted by its governing board ~~policy~~ or within 120 days of this agreement (if no such written policy exists). Such policies shall provide for sound and prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interests.

Affiliation Agreement

individual University employee outweighs the benefit to the University may not be paid.

- 5) Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Affiliate that the amount is extravagant or lavish beyond the appropriate University purpose may not be paid. While not necessarily controlling, reference should be made to regulations adopted by the Internal Revenue Service in connection with allowed business expenses.
- 6) Funds shall not be disbursed in connection with contracts (or other agreements) between the Affiliate and a University employee unless justified in writing and with specificity demonstrating, among other justifications, that the proposed contractual duties with the Affiliate are not those which the employee should perform directly for the University. All such contracts must be approved by the University President in accordance with PPM 18.VII. -
 1. The requirements of the Louisiana Code of Governmental Ethics must also be considered by the Affiliate if the University employee (or a related person) has an ownership interest in a legal entity with which the Affiliate is considering contracting.
- 7) Any expense or reimbursement request described above as authorized (or through written joint amendment or clarification of this Agreement) shall not be paid to or on behalf of a University employee without specific recommendation of the University President

5. The University shall be held to the same standard of performance with generally accepted auditing standards by an independent professional auditor who shall furnish to the University and the legislative auditor copies of his annual audit and management letter (including supplemental assurances) within six months of the date of the audit. The University shall also be held to the same standard of performance with generally accepted auditing standards by an independent professional auditor who shall furnish to the University and the legislative auditor copies of his annual audit and management letter (including supplemental assurances) within six months of the date of the audit.

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b. The National Collegiate Athletic Association (NCAA) requires that the University President submit a report that includes all athletic financial activity (both internal and external) to assist him/her in maintaining adequate oversight of financial activity.

Affiliation Agreement

exercising control over financial activity or on behalf of the intercollegiate athletics program Therefore, the financial statements will include a supplementary schedule format provided by the University of all revenues, expenses and capitalized expenditures or

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Affiliation Agreement

Affiliation Agreement

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States of America.

3. The University shall use such funds in accordance with the ~~terms~~ conditions as may be imposed by testators and donors, within the limits of the law.
4. The University and the Affiliate shall have open communication regarding both the application of the policies set forth herein and mechanisms that would allow each party better accomplish their common goals. The University President will bring any recommendations that arise from such discussions to the University of Louisiana System President for further consideration.

Terms of the Affiliation Agreement

1. This Affiliation Agreement is intended to set forth policies and procedures that will contribute to the coordination of mutual activities of the University and the Affiliate
2. Either party may, upon 90 days prior written notice to the other, terminate this agreement. Notwithstanding the foregoing, either party may terminate this agreement in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.
3. Should the University choose to terminate this agreement, the Affiliate may require the University to pay, within 180 days of written notice, all debt incurred by the Affiliate on W K H 8 Q L Y H U V L W \ ¶ V E H K D O I L Q F O X G L Q J E X W , a n d R W O L P L funds borrowed for specific initiatives. Should the Affiliate choose to terminate this agreement, the University may require the Affiliate to pay debt it holds on behalf of the Affiliate in like manner.

Affiliation Agreement

University: _____

Affiliate: _____

7. This agreement constitutes the entire agreement between the parties and shall be amended in writing, executed by all parties hereto.

IN WITNESS WHEREOF, the parties have caused this Affiliation Agreement to be executed by their duly authorized officers as of the day and date first above written.

WITNESSES: (Indicate Name of University Here)

By: _____

[Title]

WITNESSES: (Indicate Name of Affiliate Here)

By: _____

[Title]