



Affiliated Organizations

Panel

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Affiliated Organizations

- Introduction and objectives for session



Affiliated Organizations

- Need for something to be accomplished via another entity
- Affiliated organization creation should have a cost benefit
- Administrative issues of dealing with an affiliated organization sometimes overlooked

Affiliated Organizations

- General Background
 - Separate legal standing organization
 - Examples





Affiliated Organizations

- Affiliation set forth in organizations Articles of incorporation
- Affiliation set forth as tax exempt organization, usually 501 (c)(3)

Affiliated Organizations

- Furman's affiliated organization



Affiliated Organizations

- Reasons to establish an affiliated organization
 - Protect College or University from liability



Affiliated Organizations

- Attain freedom from State imposed regulations
 - Spending and purchasing rules
 - Investment policies



Affiliated Organizations

- Avoid unnecessary disclosures



Affiliated Organizations

- Financing –
 - Attain financing not otherwise available to the college or institution.





Affiliated Organizations

- Reasons not to establish an affiliated organization
 - Costly
 - Articles of incorporation and tax exempt status
 - Bookkeeping – duplicate duties
 - Audit costs
 - Administrative time for meetings and duties



Affiliated Organizations

- Reasons not to establish (cont'd)
 - Rating agency scrutiny
 - Public perception



Affiliated Organizations

- Affiliated Organizations at UCO
 - University Foundation (fundraising)
 - University Commons (private foundation owned housing)
 - UCO Housing Foundation (controlled housing foundation)
 - KCSC Radio Foundation (public radio station)
 - Alumni Association

Affiliated Organizations





Affiliated Organizations

- Housing Foundations
 - Blended unit vs. separate presentation
 - Outside ownership vs. University owned
 - Separate audits (must be completed before University audit)
 - Financial trustees



Affiliated Organizations

- Who handles Foundation and other affiliated organization account processes

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Affiliated Organizations (cont'd)

- Things to consider if University maintains accounting records
 - Confidentiality of records
 - Segregation of duties
 - Ownership of processes
 - Different accounting procedures/regulations (GASB vs. FASB)
 - Audits



Affiliated Organizations

- Receipt of funds
 - Payments for tuition, fees and other charges
 - Payments for/or refunds from university expenditures
 - Grant funds
 - Corporate matching gifts
 - Non-cash contributions



Affiliated Organizations

- Disbursement of funds
 - Expense reimbursements under (not under) “accountable plan”
 - Employee vs. Independent contractor
 - Faculty and staff awards, bonuses, etc.
 - Employee gifts
 - Employee fringe benefit payments
 - Meals and entertainment expenses



Affiliated Organizations

- Payments to/for benefit of students (scholarships, awards, employment related payments and expense reimbursements)
- Purchase of equipment/books/furnishings
- Payments to nonresident aliens