



**Policy Chapter:** Chapter 10 Fiscal Management

**Policy Number and Title:** 10.011 Affiliated Entities

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**I. Policy Statement**

The University of North Texas (UNT) establishes relationships with private donors and organizations designed to further the mission and goals of UNT and its employees. These relationships are governed by Regents Rule 09.500 and section 2255.001 of the Texas Government Code and the framework set forth in this policy.

**II. Application of Policy**

All University

**III. Policy Definitions**

**A. *Affiliated Entity***

“Affiliated entity,” in this policy, means an organization that is legally distinct from the university but is designed to further the mission and goals of UNT. Typically, an affiliated entity is a not-for-profit organization, exempt from federal income tax, with Internal Revenue Code section 501(c)(3) status. However, these organizations may exist in a variety of legal structures in support of UNT. To use “University of North Texas” in its name, an organization must be an affiliated entity and meet the requirements of section 61.313 of the Texas Education Code.

**IV. Policy Responsibilities**

**A. *Affiliation Agreement***

Each affiliated entity is required to have a fully executed affiliation agreement between the affiliated entity and UNT. The affiliation agreement must, at a minimum, include the following provisions:

1. define mission and role of the affiliated entity;
2. outline the responsibilities of the affiliated entity and UNT, including support and staff services and compensation for services related thereto that is to be provided to the affiliated entity by UNT;
3. the affiliated entity agrees that it shall comply with the rules of the UNT System Board of Regents and policies of UNT that relate to affiliated entities and development or shall inform the President if unable to do so;
4. ensure that all gifts accepted by the affiliated entity are entered into UNT’s centralized data system, thereby accurately reflecting a donor’s history and relationship with the affiliated entity and UNT;
5. ensure that should the affiliated entity cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the affiliated entity will transfer its assets and property to UNT or to a reincorporated successor §501(c)(3) entity;

6. specific administration and investment of funds received by the affiliated entity for the benefit of UNT;
7. acknowledgement that the affiliated entity is legally independent from UNT, and neither party assumes the other's liabilities;
8. the affiliated entity may not share employees with UNT or use property of UNT except as specified in the affiliation agreement;
9. an employee of UNT may not receive any monetary enrichment, including but not limited to salary or benefits, from the affiliated entity unless expressly provided for in the affiliation agreement, approved by the UNT President in writing, or approved in accordance with UNT's outside employment policy;
10. an employee of UNT may not serve on the board or other governing body of the affiliated entity unless expressly provided for in the affiliation agreement and approved by the UNT President in writing;
11. specify that in the event an affiliated entity may have access to certain confidential student or other university records, such information will be confidentially maintained and utilized only in accordance with state and federal laws;
12. a right to audit provision allowing UNT the right to audit all aspects of an affiliated entity's business operations and finances or to have access to audit results from an approved third party auditor;
13. the affiliated entity must provide reasonable financial controls to ensure complete, accurate, and timely financial representations by the affiliated entity;
14. a hold-harmless provision to protect UNT from potential legal and financial liability and from claims arising out of the negligence or willful malfeasance of the affiliated entity and its officers, agents, or employees; and
15. a description of the levels and categories of liability insurance required to be carried by the affiliated entity.

***B. Branding Identity Permission***

An affiliated entity must have the written permission of the UNT President or the President's designee to use the name, logos, trademarks, seals, service marks, or other identifying marks of UNT. A non-affiliated entity is not permitted to use the University of North Texas in the name of its organization and affiliated entities may only include use of the University of North Texas in the name of its organization with specific approval from UNT and the Texas Higher Education Coordinating Board in accordance with section 61.313 of the Texas Education Code. Upon notification from the President or President's designee, that this permission is revoked, the affiliated entity will cease to use the name, logos, trademarks, seals, service marks, or other identifying marks of the university.

**C. *Accurate Representation***

An affiliated entity must accurately represent its relationship with the university in all public communications and shall not hold itself out to be acting as UNT.

**D. *OGC Review & Approval of Agreement***

The affiliation agreement between UNT and the affiliated entity must be reviewed and approved by the UNT System Office of General Counsel. Any amendment to the affiliation agreement or any separate agreement between UNT and the affiliated entity must also be reviewed and approved by the UNT System Office of General Counsel before execution. No provision of the affiliation agreement may conflict with any statute or UNT or UNT System policy or rule, and any provision found to be in conflict shall be null and void.

**E. *President Approval***

All affiliated entities shall be approved by the UNT President or President's designee.

**F. *Adherence to Law, Rules & Policies***

All affiliated entities must comply with applicable provisions set forth in this policy, the rules of the UNT System Board of Regents, and state and federal law. A finding of non-compliance may result in loss of status as an affiliated entity.

**G. *Termination of Affiliation Status***

The UNT Vice President for Finance and Administration (VPFA) or the VPFA's designee (Designee) will be responsible for working with the affiliated entity to complete the steps to end the affiliation status.

**H. *Information Sharing Requirements to President***

All affiliated entities must submit the following information to the UNT President or the President's designee:

1. the articles of incorporation and bylaws of the affiliated entity at the time the original affiliation agreement is established and whenever there are changes to either document;
2. a list of officers and board members of the affiliated entity at the time the original affiliation agreement is established and whenever there is a change to the membership; and
3. the minutes to the affiliated entity's Board meetings, as requested.

**I. *Information Sharing Requirements to VPFA***

All affiliated entities must submit the following information to the VPFA or Designee:

1. audited financial reports, including but not limited to balance sheets, income statements, and statements of change of financial position, within 120 days of the end

- of the affiliated entity's fiscal year;
2. a copy of the Internal Revenue Service Form 990, within 30 days after its filing;
  3. a copy of investment policies annually by January 31<sup>st</sup>;
  4. signed disclosure statements, no later than January 31<sup>st</sup> of each year, from all outside financial advisors and service providers consistent with the Texas State Auditor's Office Uniform Disclosure Form;
  5. other financial information including but not limited to itemization of assets and asset distribution as requested;
  6. gift information for each donor in a format specified by the VPFA or Designee. Gift information will be submitted on a quarterly basis or as otherwise directed by the VPFA or Designee; and
  7. an accounting of expenses incurred by the affiliated entity on behalf of UNT in a format specified by the VPFA or Designee. These expenses will be submitted on a quarterly basis or as otherwise directed by the VPFA or Designee.

***J. VPFA or Designee Record Keeping***

The VPFA or Designee will maintain a complete set of the submitted documents for reporting purposes and shall disseminate audited financial reports and other financial information to the UNT System Vice Chancellor for Finance upon request.

***K. Costs***

Costs associated with financial audits and other reporting requirements are the sole responsibility of the affiliated entity, unless otherwise agreed to by the VPFA.

***L. Financial Procedures***

The financial structure of the affiliated entity should be supported by written financial procedures that provide detailed descriptions of how financial transactions are to be processed to ensure compliance with the entity's financial policy. Financial procedures provide information on what is required to process various types of financial transactions successfully within the financial structure and system of the specific affiliated entity.

***M. Financial Policies***

Every affiliated entity that raises and expends financial resources is required to have written financial policies readily available. These policies are statements of the entity's requirements in the management of cashing, investing, fund raising, budgeting, expending, and reporting financial results and must comply with generally accepted business practices.

**V. References and Cross-References**

[Texas Education Code § 61.313](#)

[Texas Government Code § 2255.001](#)

[UNT System Board of Regents Rule 09.500, Affiliated Entities](#)

**VI. Revision History**

Policy Contact:	Associate VP for Budget and Analytics
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