

# North Dakota State University

## Policy Manual

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### SECTION 720 FOUNDATIONS

SOURCE: SBHE Policy Manual, Section 340.2

1. The purpose of this policy is to promote and strengthen the operations of an institution's foundations. The following provisions set forth a framework which enables and enhances a sound and mutually supportive foundation/institution relationship. The foundation/institution relationship is derived from a shared interest in the institution's development. An institution's participation in and support of foundation operations are, therefore, appropriate and desirable.
2. For the purposes of this policy, a foundation is defined as an independent, non-profit organization that exists solely to support and advance the mission and objectives of an institution or institutional functions.

#### Foundation/Institution Relationship

3. A foundation is a private legal entity separate from the institution and must be governed accordingly to protect the foundation's private, independent status. However, because the Board of Higher Education is responsible for ensuring the integrity and reputation of the University System, it must be assured that any affiliated foundation will adhere to standards appropriate to such organizations. Therefore, each institution's president shall enter into a written operating agreement that outlines the relationship between the institution and its foundation(s) defining the role and activities of the foundation(s). The agreement must include:
  - a) A description of the services and benefits the institution and foundation provide each other and any payments made including use of the institution's facilities, equipment, and staff in the performance of foundation activities;
  - b) A process to ensure that the foundation will solicit input from the institution before defining the major needs and priorities of the foundation;And may include:
  - c) How gifts, grants, and endowments are accepted and accounted for; and
  - d) The terms and conditions which govern any joint fundraising efforts.

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HISTORY:  
New February 8, 2000