



TOPIC: Recognition of Harry R. Hughes Center for Agro-Ecology, Inc. as an Affiliated Foundation

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 18, 2010

SUMMARY: The Harry R. Hughes Center for Agro-Ecology (the Center) was incorporated in 1999 to operate exclusively for charitable, educational and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law).

The Center has worked closely with the University of Maryland, College Park (UMCP) since inception under a series of Memoranda of Understanding. Over time, the relationship has become increasingly complex and the operations of the Center have become more integrated with that of UMCP. With the expiration of the current MOU in January 2011, UMCP believes it advantageous and necessary to regularize the relationship under the Board of Regents Policy IX-2.00, Policy on Affiliated Foundations. This is an instance of an established, private non-profit corporation transitioning to affiliated foundation status, instead of the more traditional approach in which a foundation is created and granted affiliated foundation status at inception.

The Center has no employees or facilities of its own, and will utilize UMCP office space and full and part-time personnel at the Wye Research and Education facilities on the Eastern Shore. The Center will also draw on the services of other UMCP offices and maintain an endowed fellowship fund in the University of Maryland College Park Foundation. In FY 2010, UMCP costs associated with these resources amounted to \$237,914, while attracting more than \$2.1M in grants, 95% of which were directed to UMCP. The Center does not directly reimburse UMCP for the costs incurred associated with the Center.

The Center brings a history and chartered purpose of supporting research and education through the award and administration of grants, and has been very successful. So that the value and success of the Center may continue unimpeded, UMCP has requested the Center be exempted from the provision of the Board of Regents Policy IX-2.00, Policy on Affiliated Foundations that would require that the Center obtain express, prior approval of the Responsible Official (UMCP president) before it were to conduct educational or research activities (including administration of a research grant or contract) that would be considered within the normal scope of the mission of the System or any of its components.

Materials required for review and consideration of organizations seeking affiliated foundation status have been received and reviewed by the Office of the Attorney General and the System Office. The letter of request for affiliated foundation status from the Center, the request from then UMCP president C. Dan Mote, and the proposed Memorandum of Understanding between the Center and UMCP, are attached.

ALTERNATIVE(S): The Finance Committee could elect not to recognize the Center as an affiliated foundation.

FISCAL IMPACT: The overall fiscal impact is as described above.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee approval the request of the Harry R. Hughes Center for Agro-Ecology, Inc. to be considered an Affiliated Foundation under Board of Regents Policy IX-2.00, and be exempted from the requirement that the Center obtain express, advance approval of the UMCP president before conduct of research or educational activities that would be considered within the normal scope of the mission of the System or any of its components.

COMMITTEE RECOMMENDATION: Recommend approval.

DATE: 11/18/10

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
