



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

TOPIC: Revision of the BOR 308.0 IX-4.00 – POLICY ON ALUMNI ASSOCIATIONS

COMMITTEE: Advancement

DATE OF COMMITTEE MEETING: May 25, 2016

SUMMARY: The existing policy is under review. The revision contemplates that the primary relationship is between the alumni association and the institution rather than between the alumni association and the System. In addition, the revised policy introduces clear direction on accountability and reporting measures, as well as the process for seeking recognition for a new alumni association. We've highlighted the areas that have been changed since the February 2016 draft.

ALTERNATIVE(S):

FISCAL IMPACT:

CHANCELLOR'S RECOMMENDATION:

COMMITTEE ACTION:

DATE: 5.25.16

BOARD ACTION:

DATE:

SUBMITTED BY: Leonard Raley, lraley@usmd.edu, 301-445-1941



UNIVERSITY SYSTEM OF MARYLAND

308.0 IX – 4.00 – POLICY ON ALUMNI ASSOCIATIONS

(Approved by the Board of Regents, August 27, 1993; revised/May --, 2016)

Board of Regents Policy on Alumni Associations

The University System of Maryland Board of Regents (Board) recognizes the importance of alumni associations in fostering and maintaining close and mutually beneficial ties between alumni and the constituent institutions (Institutions) of the University System of Maryland (USM). It is the intent of the Board 1) to develop policies and procedures governing the recognition and management of alumni organizations, including the use of funds and institutional resources and, 2) to ensure cooperative and collaborative efforts between the alumni organizations and the Institutions they support.

I. Guiding Principles

- A. Alumni associations should be organized and operated for the benefit of the Institution and its alumni.
- B. Alumni associations should provide service and support to its members and to the Institution.
- C. Alumni associations may not restrict membership or benefits of membership on the basis of race, religion, national origin, gender, physical disability or sexual orientation.
- D. Alumni associations should recognize the unique role of the Responsible Official (as defined herein) in setting Institution priorities.

II. Recognition

An alumni association may use the name, facilities or resources of an Institution only if recognized by the Board pursuant to this policy, only to the extent permitted by this policy. In order to be recognized as an alumni association, an organization must have, as its sole purpose, one or more of the following:

- A. To foster or promote the general welfare of an Institution; or
- B. To advocate for public or private support of an Institution; or

- C. To provide educational, charitable or cultural activities for the benefit of the alumni or an Institution.

The procedure for recognition of a new alumni association is set forth below.

III. Association

Alumni associations may be associated with the USM, an Institution or a component thereof, all of which are herein for convenience referred to as the Institution.

IV. Responsible Official

The Responsible Official is responsible for the relationship between the Institution and the alumni association. The President of the Institution shall be the Responsible Official for an alumni association associated with his or her Institution or a component thereof. In the case of Alumni Association International or an alumni association affiliated with a regional higher education center, the Chancellor shall be the Responsible Official.

V. Organization of Alumni Association

Alumni associations must be organized in one of two alternative structures.

- A. An alumni association may be organized as a Maryland non stock corporation, tax exempt under Section 501(c)(3) of the Internal Revenue Code (Incorporated Alumni Associations). The governing body of an Incorporated Alumni Association shall be its Board of Directors, which shall include a representative from the Institution (or for an alumni association associated with the USM, a representative from the USM) as an ex-officio non-voting member.
- B. Alternatively, an alumni association or office of alumni relations may choose to conduct and finance its program under the auspices and financial and operational oversight of the Institution or the USM (Internal Alumni Associations). In this case, advisory boards may be formed to assist and support the Institution's alumni association or office of alumni relations, but the Institution (or, for an internal alumni association associated with the USM, the USM) shall maintain all of the books and records of the program.

VI. Operating Agreement/Policies and Procedures

Incorporated Alumni Associations must enter into a written operating agreement between the Institution and the alumni association (or for an incorporated alumni association associated with the USM, between the alumni association and the USM) on an annual basis authorizing the alumni association to operate and identifying the sharing of resources, facilities and employees and the costs thereof, and the consideration from the alumni association for the costs associated with the use of Institution resources, facilities

and employees. The operating agreement shall also articulate the responsibility of the alumni association to be clear in its communications, negotiations and transactions with third parties that while associated with the Institution or the USM, the alumni association is a separate and distinct entity and the obligations of the alumni association are not the obligations of the Institution, the USM or the State of Maryland.

An Internal Alumni Association shall establish, in cooperation with the Institution it serves (or, for an internal alumni association associated with the USM, the USM), written policies and procedures governing its operations.

VII. Accountability and Reporting

Within 180 days of the close of the USM's fiscal year, the following shall be submitted by each alumni association to its Responsible Official. All submissions shall be with respect to the previous fiscal year.

Incorporated Alumni Associations

- A. Certificate of Good Standing (current within 60 days of submission)
- B. List of Board of Directors as of the end of the fiscal year
- C. Statement signed by the Responsible Official affirming that the alumni association has operated in accordance with the policies of the Board of Regents of the USM and with laws and regulations of the State of Maryland and the United States and in particular the Internal Revenue Code
- D. Audited Financial Statements, if annual revenues exceed \$100,000
- E. If revenues are less than \$100,000, financial statement prepared in accordance with generally accepted accounting standards
- F. Report of the major activities of the alumni association
- G. Copy of operating agreement

Internal Alumni Associations

- A. Report of major activities of the alumni association
- B. List of Advisory Board members, if any
- C. Copy of Policies and Procedures
- D. Statement signed by the Responsible Official affirming that the alumni association has operated in accordance with the policies of the Board of Regents of the USM and with laws and regulations of the State of Maryland and the United States.

Any alumni association that is also an affiliated foundation must comply with Section 15-104(b)(7) of the Education Article of the Annotated Code of Maryland: "(7) No funds shall

be accepted from an affiliated foundation by a public institution of postsecondary education unless the fiscal affairs of the affiliated foundation are audited annually by an independent certified public accountant.”

VIII. Procedure to Recognize new Alumni Association

All requests to the Board of Regents for the recognition of a new alumni association should be approved by, and submitted through, the President of the requesting institution. ~~In the event that an alumni association affiliated with the Universities at Shady Grove or the University System of Maryland Hagerstown a regional higher education center should be proposed, the Chancellor would be the Responsible Official and the request should be approved by and submitted through the Chancellor. or, in the case of recognition of a new USM alumni association, by the Chancellor. Other than these instances, it is not anticipated that any new alumni associations would be affiliated with the USM.~~

Requests should be submitted six weeks prior to the full board meeting at which the request will be considered. Requests will be reviewed within the USM Office of the Chancellor before being submitted for review by the Board of Regents Committee on Advancement. The Committee on Advancement will then 1) decline the request, 2) request additional information or clarification, or 3) recommend recognition by the full Board.

In making requests for recognition of a new alumni association, the following information is to be submitted:

- A. Rationale for proposed establishment of the alumni association.
- B. Structure and functions of the proposed alumni association.
- C. A copy of the proposed operating agreement for an independent alumni association and a copy of the policy and procedures for an internal association.

IX. Termination of Recognition

A Responsible Official or the Board of Regents may terminate the recognition of an alumni association that does not comply with this policy or the Institution’s policy and procedures. In such case, the alumni association shall no longer hold itself out to the public as being affiliated with the USM or any of its constituent institutions.

Appendix A – Sample Operating Agreement (Incorporated Alumni Associations)

Appendix B – Sample Policies and Procedures (Internal Alumni Associations)

Alumni Association Model Operating Agreement

[M]= Mandatory Provision

AGREEMENT, made this ____ day of ____, 201_ by and between the [UNIVERSITY], (hereinafter referred to as "University"), which university is a constituent institution of the University System of Maryland, (hereinafter referred to as "USM") and the _____ Alumni Association, Inc. a non stock corporation organized and existing under the laws of the State of Maryland, having its principal place of business located at _____, Maryland,(hereinafter referred to as "Association").

WITNESSETH:

WHEREAS, University has an interest in maintaining close and mutually beneficial ties with its graduates and former students (hereinafter referred to as "Alumni"); and

WHEREAS, Association has been established for the primary purpose of promoting the best interests of the University and such other purposes set forth in its Articles of Incorporation, attached hereto and incorporated herein is Exhibit A, including but not limited to, serving as a liaison between University and its Alumni; and

WHEREAS, the parties desire to enter into an agreement under which the University will provide facilities, employees and such other resources as will enable the Association to carry out its purposes in support of the University.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto, agree as follows:

1. The Association will conduct its activities in accordance with the policies of the University and the USM, including the Board of Regents Policy on Alumni Associations, attached hereto and made a part hereof as Exhibit B. [M]
2. The Association will conduct those activities enumerated in Exhibit C, exclusively for the benefit of the University. Any additions to Exhibit C must be approved in writing as an amendment to this agreement. [M]
3. University shall make available to the Association the facilities, personnel and equipment designated in Exhibit D, attached hereto and made a part hereof. Any additions to or withdrawals from Exhibit D shall be made by written mutual consent of University and the Association. Exhibit D will also reflect the quantification of the cost of the facilities,

personnel and equipment designated for use by the Association, as well as the consideration from the Association for such support. The Association hereby indemnifies the University, USM and the State of Maryland for any claims or damages resulting from the Association's use of facilities, employees or equipment. (M)

4. The Association shall take good care of the property set forth in Exhibit D and shall maintain it in a clean, sanitary and orderly condition. University shall keep such specified premises in good repair and make all necessary capital improvements in order to comply with all applicable federal, state and municipal health and safety codes. Any alteration or improvement to the premises, fixtures, or replacement equipment that may be paid for by the Association shall become the property of the University. Upon removal from the premises, the Association shall return the equipment and facilities provided hereunder in good and clean condition.

5. The Association must be in good standing in accordance with the law governing and practices of the Maryland Department of Taxation and Assessments. [M]

6. Management and control of the Association rests with its Board of Directors. [M]

7. Officers and staff members of the Association shall be bonded. [M]

8. The Bylaws of the Association shall provide that at least one University employee in a leadership role, elected by the Association, shall serve as an ex-officio member of its Board of Directors. [M]

9. If otherwise permitted in accordance with applicable law and Board of Regents Policy, University officials, including members of the Board of Regents, may serve as regularly elected voting members of the Board of Directors of the Association, provided they do not constitute a majority. [M][Include employees from #8 in the count]

10. If otherwise permitted in accordance with applicable law and Board of Regents Policy, and with the consent of the Responsible Official, an officer or employee of the USM or the University may serve as an officer or employee of the Association. [M]

11. The Association may not engage in any activity that conflicts with any federal or State laws, rules and regulations, applicable policies or the role and mission of the University or the USM, including those provisions of the Internal Revenue Code governing corporations exempt from taxation under Section 501 (c) (3). [M]

12. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. In particular, the Association may not make any contribution, whether in money or in kind, to any candidate for public office or purchase tickets to an event intended to raise money for use by a candidate for public office. [M]

13. The Association hereby releases the University, the USM and the State of Maryland and their respective officers and employees from liability for loss or damage to the Association's property or injury to the Association's employees, business invitees, licensees, and guests on University or USM property. [M]

14. All correspondence, solicitations, activities, and advertisements on behalf of the Association shall use the name of the Association and shall be clearly identified as an activity of the Association to ensure that the public is aware the activities undertaken by the Association are separate and distinct from the University or USM. Letterhead should carry the name of the Association and any trademarks, service marks, logos, seals or the name of the University or USM may only be used with specific approval from the University and in accordance with USM and University policies and procedures. [M]

15. All negotiations and transactions with third parties should be done by the Association in a manner that makes it clear that the Association is a separate and distinct legal entity and not part of the University, USM or the State of Maryland, and no obligation of the Association shall be an obligation of the University, USM or the State of Maryland. [M]

16. Financial activities of the Association shall be administered in accordance with prudent business practices. [M]

17. If the Association's revenues for the year are \$100,000 or more, the Association shall be audited by an independent certified public accountant who is not a director or officer of the Association. If an audit is not required, the Association shall submit to the Responsible Official its compiled financial statement, including balance sheet and income statement. The Association shall prepare its financial statements in accordance with generally accepted accounting principles. Any audit should be a full scope review performed in accordance with generally accepted auditing standards. As part of the audit, the auditor shall verify a summary annual report of transfers of funds to the University or the USM. A copy of the completed audit, with all attachments thereto, will be provided to the University's Vice President for Administration and Finance (or the equivalent) within 180 days of the end of the audited period. [M]

18. The Responsible Official may inspect the books and records of the Association at any time. [M]

19. In order to comply with 11 and 12 herein, the Association shall provide a separate audit of any funds held for the use of the University President or the USM Chancellor. [M]

20. At the request of the Responsible Official, the Association shall permit the internal auditors of the Board of Regents access to all books and records concerning funds held for the use of any officers or USM. [M]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the date first written above.

The xyz Alumni Association

The XYZ University

By: _____
(Name and Title)

By: _____
President

Alumni Association Articles of Incorporation

Board of Regents Policy on Alumni Associations

Activities of the Alumni Association

**Alumni Association
Facilities, Personnel, and Equipment Provided by the Campus**

I. Facilities, personnel and equipment to be used by Association

A. Description of space utilized for each service provided:

Building Name	Square Footage	Space Description	Annual Valuation
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B. Personnel assigned (with % of employment):

Annual valuation (salary plus benefits)

C. Description of equipment provided:

Annual valuation

II. Consideration for institutional facilities, personnel and equipment used by Association



UNIVERSITY SYSTEM OF MARYLAND

Policies and Procedures for Internal Alumni Associations (Sample)

The XYZ Alumni Association is recognized by the USM Board of Regents and by the University in accordance with the USM Board of Regents Policy on Alumni Associations.

The Alumni Association is a program of the university and as such is operated and controlled by the University.

The Alumni Association may have an Advisory Board and University officials or employees may participate on the Advisory Board.

The Alumni Association shall meet at least annually with University Officials to develop a written list of Alumni Association activities for the year.

Alumni Association activities shall comply with applicable policies of the University, the USM and federal, state and local laws.



308.0 IX-4.00-POLICY ON ALUMNI ASSOCIATIONS

(Approved by the Board of Regents, August 27, 1993)

The Board of Regents ("Board") explicitly recognizes the alumni and former students of the constituent institutions ("Institutions") of the University of Maryland System ("UMS") as a special constituency, whose continuing interest in and support of the Institutions and of the UMS are both valued and encouraged. The Board of Regents recognizes that the Institutions and the UMS have established special relationships with various entities organized to foster the relationship with alumni and to benefit the alumni. The Board encourages these ongoing and continuing endeavors. It is the policy of the Board that the relationships between the Institutions or the UMS and alumni associations be conducted in accordance with applicable law and applicable policy and procedure governing the management of UMS and Institution funds, and use of UMS and Institution resources and employees, and that the alumni associations enjoying a relationship with any of the Institutions or with UMS manage their respective funds in accordance with generally accepted accounting principles. To implement and ensure these goals, the Board adopted the following policy and procedures to govern the relationships with alumni associations:

The Board encourages each Institution to recognize and cooperate with one or more alumni associations (as defined below), as the Institution deems appropriate and desirable, as a vehicle for fostering alumni interest and support for the UMS and its individual institutions.

1. Recognition: An alumni association or organization may use the name, facilities or resources of one or more of the Institutions (or portions thereof), or of the UMS, only if recognition of it by the Board, in accordance with this policy, is then in effect. The procedure for obtaining recognition is set forth below.
2. Minimum criteria for Recognition: The Board may, but is not obligated to, recognize as an alumni association only an organization whose membership is generally restricted to alumni of one or more Institutions, or parts thereof, and which has as its sole purpose one or more of the following:
 - A. To foster and promote the general welfare of the UMS and/or one of its components; or
 - B. To advocate for public and/or private support for the benefit of the UMS or one of its components; or
 - C. To provide educational, charitable or cultural activities for the benefit of the alumni of UMS components.

Each organization recognized as an alumni association shall

comply with this Policy.

3. **Affiliation with Institutions:** The Board shall recognize an alumni association in relation with one of the following: the UMS, one of the eleven degree-granting Institutions, a college or other entity contained wholly within a degree-granting Institution, or such other component of an Institution, as the Institution may determine, or component of the UMS, as the Board may determine. Recognition of an alumni association under this Policy does not imply that the alumni association is an Affiliated Foundation and does not imply in itself that the alumni association is part of the UMS or of an Institution.
4. **Responsible Official:** The following official shall be the official responsible for relations with alumni associations recognized in relation with his or her Institution; including monitoring compliance with Board policies and agreements with the alumni association:
 - A. the UMS -- the Chancellor
 - B. the eleven degree-granting Institutions -- the appropriate President
 - C. one or more colleges or other entities contained wholly within a degree-granting Institution -- the appropriate President
 - D. any other component or combination of Institutions and components of the UMS -- such official as the Board of Regents shall designate.

The official listed above shall hereinafter be referred to as the "Responsible Official" with respect to any alumni associations affiliated with his or her institution or component.

5. **Recommendation for Recognition:** The Responsible Official shall recommend to the Chancellor, for submission to the Board, that the Board recognize an alumni association pursuant to this policy, and shall provide to the Chancellor: 1) a statement of the purpose of the entity which is proposed to be recognized by the Board as an alumni association, 2) a description of the nature of the entity (i.e., whether it is a corporation, has 501(c)(3) status or other tax-exempt status, or similar relevant information), 3) if the alumni association is an Internal Alumni Association (as described below), a memorandum from the Responsible Official discussing the structure and functions of the alumni association, and 4) if the alumni association is an Incorporated Alumni Association (as described below), a copy of the proposed Alumni Association Agreement (as described below). The Board shall be notified of any change in the purpose or scope of activities of an alumni association, a change in its legal or tax status, or a change in the Alumni Association Agreement, if required, with the Institution or the UMS, occurring after

its recognition by the Board.

6. Organization of Alumni Association: An alumni association will be recognized only if it is: 1) an office or activity of an office of the Institution or of the UMS and therefore legally is a part of the UMS ("Internal Alumni Association"), or 2) a private Maryland corporation, legally separate from the Institution, the UMS, or the State of Maryland ("Incorporated Alumni Association"), or 3) in exceptional circumstances, an unincorporated association which is formally established as a separate legal entity and which meets the Responsible Official's requirements and conditions, in which case such an alumni association shall be referred to as an Incorporated Alumni Association and governed by the provisions of this Policy, as appropriate, applicable to Incorporated Alumni Associations.

7. Internal Alumni Association:
 - A. Even though an internal alumni association is a part of the Institution or the UMS, it must be officially recognized by the Board after recommendation by the appropriate Responsible Official.
 - B. To ensure proper organizational and financial control, the UMS and each Institution, prior to the initial recognition of an Internal Alumni Association in relation with it, shall establish policies and procedures governing the operation of Internal Alumni Associations. The Responsible Official shall have the authority to terminate the recognition of an Internal Alumni Association that does not comply with the policies and procedures established by the Institution or UMS, as applicable.
 - C. All membership fees, gifts, activity fees and all other revenues generated by Internal Alumni Associations and payable to the Institution or UMS are to be held within UMS or Institution accounts. In circumstances deemed appropriate by the Responsible Official, in accordance with law and with the prior consent of an Affiliated Foundation, such funds generated by Internal Alumni Associations may be managed by an Affiliated Foundation.
 - D. Each Internal Alumni Association and all UMS or Institution employees engaged in managing or in operating its activities, must comply with applicable policies of the Board and with federal, state and local laws.

8. Incorporated Alumni Associations: Each Incorporated Alumni Association is subject to the following:
 - A. Each Incorporated Alumni Association must be in good standing in accordance with the law governing and practices of the Maryland State Department of Assessments and Taxation.
 - B. The management and control of an Incorporated Alumni Association shall rest with a Board of Directors.

- C. Officers and staff members of an alumni association shall be bonded.
- D. If otherwise in accordance with applicable law and UMS Policy, the Responsible Official and any other UMS and Institution officials (including members of the Board of Regents) may serve as voting members of the Board of Directors of any Incorporated Alumni Association, provided that UMS and Institution officials do not constitute a majority of the alumni association's Board of Directors.
- E. If otherwise in accordance with applicable law and Board Policy, with the approval of the Responsible Official, an officer or employee of the UMS or an Institution may also serve as an officer, director or employee of an Incorporated Alumni Association.
- F. An official or employee of the UMS may serve on the Board of Directors, or as an officer, or an employee of an Incorporated Alumni Association, only if permitted under the Maryland Public Ethics Law, and the Policies and Procedures of the UMS and the appropriate Institution concerning conflicts of interest and commitment.
- G. An Incorporated Alumni Association may not engage in any activity that conflicts with federal or State laws, rules and regulations, applicable policies, or the role and mission of the UMS or the Institution. Incorporated Alumni Associations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.
- H. All activities of an Incorporated Alumni Association shall be in conformance with activities permitted under Section 501(c)(3) or 501(h) or other section governing its tax-exempt status, if applicable, of the Internal Revenue Code. In particular, "No substantial part of the activities (of an incorporated alumni association) shall be carrying on propaganda, or otherwise attempting to influence legislation." Furthermore, no incorporated alumni association shall directly or indirectly "participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office." In particular, an Incorporated Alumni Association may not make any contribution, whether in money or in kind, to any candidate for public office. For example, the purchase of tickets to an event intended to raise money for use by a candidate in a political campaign is a violation of this policy.
- I. Except with the express, prior approval of the Responsible Official, no Incorporated Alumni Association shall conduct educational or research activities (including administration of the receipt of a research grant or contract) that would be considered within the normal scope of the mission of the UMS or any of its components.

- J. An Incorporated Alumni Association may not offer an educational program (i.e., an organized course of study that leads to the award of a certificate, diploma or degree) unless it has obtained a certificate of approval from the Maryland Higher Education Commission to operate as an institution of post-secondary education or is otherwise permitted by existing law. An Incorporated Alumni Association shall not apply for a certificate of approval without first obtaining written approval from the Responsible Official.
- K. Each Incorporated Alumni Association shall enter into written agreement ("Alumni Association Agreement") with the UMS or with the Institution, as appropriate, which shall be reviewed from time to time by the Responsible Official and subject to termination or modification based upon such review. The Alumni Association Agreement must be signed by the Responsible Official and by the alumni association officer authorized by the alumni association's bylaws to do so.
- L. The Alumni Association Agreement shall set forth: 1) the use by an Incorporated Alumni Association of UMS facilities, services, resources, employees, and other supportive assistance, and 2) the consideration from the Incorporated Alumni Association for that support.
- M. In the Alumni Association Agreement, the Incorporated Alumni Association shall release the Institution, the UMS, the Board and the State and their respective officers and employees from liability for loss or damage to the alumni association's property or injury to alumni association employees on UMS property.
- N. All correspondence, solicitations, activities, and advertisements on behalf of an Incorporated Alumni Association shall use the name of the alumni association and shall be clearly identified as an activity of that alumni association to ensure that the public is aware that the activities undertaken by the alumni association are separate and distinct from those of the UMS. The letterhead of an alumni association shall carry the complete legal name of the alumni association (e.g., The University of Maryland, College Park Alumni Association, Inc.). Trademarks, service marks, logos, seals, or the name of the UMS or any of its constituent Institutions or components may be used by an alumni association only with the prior written approval of the Responsible Official.
- O. In all negotiations and transactions with third parties, for fund raising, enterprise activities and all other activities, each Incorporated Alumni Association shall take care to ensure that all parties involved are aware that the alumni association is an independently established and separately operated legal entity from the UMS. Obligations of Incorporated Alumni Associations shall not be obligations of the UMS or the State of Maryland.

- P. Incorporated Alumni Association funds shall be kept and managed separate from UMS funds. UMS trust funds shall not be transferred to Incorporated Alumni Associations for any purpose except, when appropriate, by action of the Board of Regents after approval by the Attorney General's Office. Funds or gifts payable to the Regents, the UMS, one of its constituent Institutions, or to any other UMS component shall not be deposited with an Incorporated Alumni Association.
- Q. Incorporated Alumni Associations may not accept donations in the name of the UMS, or an Institution, or an Affiliated Foundation. However, an Incorporated Alumni Association may raise funds in its own name and in turn donate them to the UMS, an Institution or an Affiliated Foundation.
- R. Acceptance of gifts from an Incorporated Alumni Association is subject to applicable UMS policies on gifts. Fund-raising campaigns and solicitations of major gifts for the benefit of the UMS shall not normally be carried out by an Incorporated Alumni Association in concert with an Affiliated Foundation or an internal endowment, unless all gifts received are donated to the Affiliated Foundation or the UMS. Any and all such solicitations shall be approved in advance by appropriate UMS and Affiliated Foundation officials and should be compatible with the plans and needs of the UMS.
- S. Financial activities of an Incorporated Alumni Association shall be administered in accordance with prudent business practices. Financial commitments and expenditures by an Incorporated Alumni Association shall be in accordance with explicit, written policies and with budgets approved by the alumni association's governing board. All disbursements by an Incorporated Alumni Association shall be in accordance with the written operating policies and procedures of the Incorporated Alumni Association.
- T. In each year in which an Incorporated Alumni Association receives at least \$30,000 in revenues, generated by dues, interest income and net special events income, each Incorporated Alumni Association shall be audited annually by an independent certified public accountant who is not a director or officer of the alumni association and who is approved by the Responsible Official. For each year in which an audit is not required, the Incorporated Alumni Association shall submit to the Responsible Official its compiled financial statement, including balance sheet and income statement. Each Incorporated Alumni Association should conduct its fiscal operations to conform to the UMS's fiscal year. Each alumni association shall prepare its annual financial statements in accordance with generally accepted accounting principles. The independent audit shall be a full scope review, performed in accordance with generally accepted auditing standards. As part of the audit, the auditor shall verify a summary annual report of transfers of funds made to the UMS.

- U. An Incorporated Alumni Association shall permit the Responsible Official or his or her designee to inspect, at reasonable times, the following documents: the alumni association's books and records; its most recent federal and state tax returns; and a list of employees, consultants, and legal counsel for the fiscal year.
- V. Within 180 days after the close of the UMS's fiscal year, each Incorporated Alumni Association shall provide the Responsible Official with copies of the following: its annual audit report; a list of alumni association officers and directors; and an annual report of the alumni association's major activities.
- W. The Chancellor may request from the Responsible Official information on Incorporated Alumni Associations according to the schedule and format specified by the Chancellor.
- X. To ensure compliance with Sections 8(G) and 8(H) of this Policy, each year each Incorporated Alumni Association shall provide a separate audit of funds held for the use of the Chancellor and/or the president(s).
- Y. At the request of the Chancellor or the chairperson of the Board of Regents, the Incorporated Alumni Association shall permit the internal auditors of the Board of Regents access to all books and records concerning funds held for the use of any officers of UMS, or any State of Maryland funds that may be held by the alumni association.
- Z. The Board may revoke its recognition if the alumni association fails to comply with this policy or any agreement the alumni association may have with the Institution, UMS or an Affiliated Foundation.

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