

COOPERATIVE ORGANIZATION GUIDING PRINCIPLE MEMORANDUM OF UNDERSTANDING

This Cooperative Organization Guiding Principle Memorandum of Understanding ("Agreement") is effective as of July 1, 2015 by and between the Board of Regents of the University System of Georgia by and on behalf of the University of Georgia ("Institution") and the University of Georgia Research Foundation, Inc. ("Cooperative Organization"), a non-profit tax-exempt corporation organized under the laws of the state of Georgia and Section 501(c)(3) of the Internal Revenue Code, as amended.

WHEREAS, the purpose of this Agreement is to guide and direct the parties respecting their affiliation, cooperation, and working relationship, inclusive of anticipated future arrangements and agreements in furtherance thereof; and

WHEREAS, Institution is a unit of higher learning of the University System of Georgia; and

WHEREAS, Cooperative Organization is a legal entity separate from Institution that was formally designated as a cooperative organization by the president of Institution who has determined it to be in the best interest of Institution to do so; and

WHEREAS, Cooperative Organization is empowered to create certain limited liability corporations for the purpose of facilitating the development of projects designed to benefit the University System of Georgia; and

WHEREAS, certain limited liability corporations are subject to certain Internal Revenue Code regulations governing the issuance of tax-exempt debt and subsequent use of assets financed by tax-exempt debt; and

WHEREAS, Cooperative Organization was created for the express purpose of serving the interests of Institution in carrying out its programs, activities, and services and is authorized by Institution to engage in activities, programs, and services including soliciting gifts, donations, and grants for the purpose of supporting and enhancing Institution programs, and Cooperative Organization shall not engage in activities, programs, and services that are in conflict with or inconsistent with the policies, mission, and goals of the Board of Regents, Institution, or Cooperative Organization.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and for good and other valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, Cooperative Organization and Institution do hereby agree as follows:

1. Cooperative Organization agrees to abide by the Board of Regents policy section 12.5 (Cooperative Organizations) and the University System of Georgia Guiding Principles for Cooperative Organizations, which are attached hereto as Exhibits A and B and incorporated herein.
2. Neither Cooperative Organization nor Institution shall have any liability for the obligations, acts, or omissions of the other party. Cooperative Organization shall not accept any gift, donation, or grant, or enter into any transaction, that creates any liability for Institution, without advance written approval by the president of Institution.
3. Institution shall make available to Cooperative Organization the facilities, programs, and services of Institution, subject to any established policies or procedures applicable to such facilities, programs,

activities, and services. There shall be separate agreements between Institution and Cooperative Organization concerning the use of each party's respective facilities by the other, and the programs, activities, and services to be provided by each party to the other.

4. Cooperative Organization may receive various administrative services from Institution, which may enable Cooperative Organization to provide a greater level of support to Institution. If Institution incurs expenses as a result of Cooperative Organization's operations, then Cooperative Organization shall reimburse Institution for those expenses. This reimbursement shall not be required if Institution would be conducting those operations and bearing the expense in the absence of Cooperative Organization.

5. Cooperative Organization shall cooperate with Institution in the development of pre- and post-issuance compliance procedures to obtain and preserve the tax-exempt status of any public-private venture (PPV) debt.


6. Cooperative Organization shall use generally accepted accounting principles in its financial record keeping and reporting. Cooperative Organization will provide, or cause to be provided, audited financial data in conformance with the reporting requirements of the State of Georgia. This data will be provided in a timely manner so that the reporting requirements of the State can be met. Cooperative Organization shall present annually to the president of Institution the annual independent audit report of Cooperative Organization. The audit report shall include financial statements, a management letter, and an audit opinion, which addresses the conformance of the operating procedures of Cooperative Organization to the provisions of this Agreement and Board of Regents cooperative organization policy.

7. Cooperative Organization shall be entitled to use the names, symbols, and trademarks of Institution during the term of this Agreement. Upon termination of this Agreement, Cooperative Organization shall be prohibited from using the names, symbols, or trademarks of Institution.

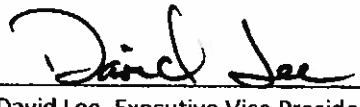
8. Cooperative Organization shall clearly and conspicuously disclose that funds or other items of value donated are to be provided to Cooperative Organization as distinct from Institution and shall establish a procedure to ensure that funds and other items of value donated to Institution are properly deposited in Institution accounts or transferred properly.

9. This Agreement has a term of five (5) years. It may be terminated by either party upon ninety (90) days' written notice. If terminated, paragraph 11 of the Guiding Principles (Exhibit B) shall survive such termination. This Agreement may be amended by mutual consent from time to time at the request of either party. All amendments must be in writing and executed by the parties. Cooperative Organization agrees to, and shall, transfer requested records to Institution and assist as needed with any transition requirements, in the event this Agreement is terminated.

IN WITNESS WHEREOF, the authorized representatives of the parties by their signatures below do hereby put this Agreement in force as of its effective date.



Jere W. Morehead, President
The University of Georgia
Date: 9/23/15



David Lee, Executive Vice President
University of Georgia Research Foundation, Inc.
Date: 9/22/15

Exhibit A

12.5 Cooperative Organizations

12.5.1 Definition

An organization is a cooperative organization if it:

1. Is organized or operated primarily
 - for the purpose of soliciting gifts or assisting a USG institution in soliciting gifts from third persons in the name of the USG institution or any of the institution's programs; or,
 - for soliciting grants and contracts or accepting grants or entering into contracts for research or services to be performed by or in conjunction with a USG institution or using the institution's facilities; or,
2. Bills or collects professional fees in the name of or in behalf of faculty members of a USG institution who provide professional services within the scope of their employment by the institution; or,
3. Includes officials, faculty, staff, or employees of a USG institution as ex officio members of the organization's board of directors or other governing structure; or,
4. Is formally designated as a cooperative organization by the Board of Regents or by the president of the relevant USG institution, and of those formally designated, certain cooperative organizations will be required to follow the Regents' Guiding Principles for Cooperative Organizations. The Board of Regents and the president will determine the cooperative organizations that must follow the Guiding Principles.

12.5.2 Relationship Between Cooperative Organizations and USG Institutions

A relationship, whether formal or informal, between a USG institution and a cooperative organization may be maintained only if:

1. The relationship between the cooperative organization and the USG institution is in the best interest of the USG institution as determined by the Board of Regents and the

president of the institution in consultation with the Chancellor (BoR Minutes, June 2004);
and,

2. The financial records of the cooperative organization, including any audits, are available for inspection by the president of the USG institution or the president's designee; and,
3. Any use by the cooperative organization of the name of the USG institution, or of a symbol or trademark of the USG institution, is approved in advance by the president of the USG institution or the president's designee; and,
4. The cooperative organization annually presents evidence satisfactory to the president of the USG institution or the president's designee that the cooperative organization is adequately capitalized for any activities undertaken in the name of, for the benefit of, or in conjunction with the USG institution; and,
5. The cooperative organization annually presents evidence satisfactory to the president of the USG institution or the president's designee of insurance or self-insurance adequate in form and amounts to cover foreseeable liability arising from activities undertaken in the name of, for the benefit of, or in conjunction with the USG institution; and,
6. There is a written general agreement or memorandum of understanding between the USG institution and the cooperative organization describing each party's responsibilities so that it is clear to third parties dealing with the cooperative organization that the organization is acting as a legal entity separate from the USG institution; and,
7. Actions of the USG institution's officials, faculty, staff, or employees pursuant to the relationship are consistent with policies established by the Board of Regents and the USG institution regarding conflicts of interest, outside activities, and other matters; and
8. Not less than every two years, the president of the institution documents that he or she has reviewed the relationship between the institution and the cooperative organization and that all provisions of this policy are met to the president's satisfaction.

University System of Georgia
Guiding Principles for Cooperative Organizations

Cooperative Organizations have been extraordinarily beneficial in supporting the institutions of the University System of Georgia in a variety of ways, such as providing scholarships for students, endowments for faculty, acquiring real estate for the institution, and enhancing funds for research programs and athletics. The following guiding principles are proposed to clarify the roles and responsibilities of the institution and the Cooperative Organizations as they seek to enhance the reputation and quality of the University System of Georgia.

1. The mission of the Cooperative Organization shall be closely aligned with the mission, functions and activities of the institution it supports.
2. It is the responsibility of the Board of Regents of the University System of Georgia to provide guidance for and approval of the strategic direction of each institution. It is the responsibility of each institution to carry out its mission as articulated by the Board of Regents. It is the responsibility of the Cooperative Organization to support the institution at all times in a cooperative, ethical and collaborative manner, engage in activities in support of the institution and its president, and, where appropriate, assist in securing resources, administer assets and property in accordance with donor intent, and manage its assets and resources so that the property, resources and funds hold their purchasing power into the future.
3. The priorities of the institution, as set by the president, shall be integrated into the operation, activities, efforts, and priorities of the Cooperative Organization. Institutional priorities shall be set by the President and it is assumed the president will develop these in consultation with all appropriate constituencies.
4. The Cooperative Organization's Board and Executive Committee shall include the institution's president, or the president's designee, as a voting member. Institutional officers designated by the president also should be included on the Cooperative Organization's Board and its committees as either members or ex-officio members (voting and/or non-voting), to foster and maintain productive relationships, to ensure an open and ongoing dialogue between the institution and the Cooperative Organization, and to ensure the alignment of priorities. Of equal importance, the volunteer chair/president of the Cooperative Organization shall have direct access to the institutional president.
5. Cooperative Organizations shall have a comprehensive strategic plan to guide them in their mission to support the institution. It is expected that the President of the institution shall have input and shall be consulted in this process.
6. Cooperative Organizations have a responsibility to remain current with accounting and investment practices and ensure that they follow sound financial policies, practices and procedures.
7. The Cooperative Organization shall develop policies to ensure that its business, governance, and programming activities are conducted in an open and responsible manner, consistent with the

laws of the State of Georgia and, where applicable, federal regulations to include those regulations governing tax-exempt debt.

8. The Cooperative Organization shall be accountable, its financial transactions transparent, and it shall disclose the following to the institution: the financial audit by outside firms, the annual report of activities and results (not donor information), list or report of the Cooperative Organization's priorities, operating budget, policies on disbursements (including expenditure policies), investment policies, operational costs, and policies regarding the establishment of all priorities, in accordance with all applicable laws.
9. The Cooperative Organization shall develop policies and procedures to establish ethical standards to ensure that no conflict of interest occurs between its members and employees and the activities of the cooperative organization and the institution.
10. Since the Board of Regents owns the intellectual property of the institutions, all usage by the Cooperative Organization of the institution's name, symbols, or trademarks is subject to approval by the institution or Board of Regents.
11. The Cooperative Organization should always operate in a manner that is consistent with the best interest of the institution. The Board of Regents of the University System of Georgia and the president of the institution in consultation with the Chancellor may determine that the Cooperative Organization's operations and activities are not in the best interest of the institution and/or Board.
12. Notice to and concurrence of the Board of Regents or institution is required for change of name, change of mission, or change of governance documents or structure of the Cooperative Organization.
13. Should a Cooperative Organization cease to exist, all obligations regarding existing resources must be fulfilled in accordance with donor's intent, and any remaining assets and property of the Cooperative Organization must be transferred to another entity in support of the mission of the institution.
14. No employee of the institution, or member of their immediate family, may receive remuneration (salary, stipend or gifts for service) from the Cooperative Organization without the approval of the institutional president; or, in the case of the president or the president's immediate family, the Chancellor; or, in the case of the Chancellor or the Chancellor's immediate family, the Board.
15. All Cooperative Organizations must execute a Memorandum of Understanding that meets the letter and spirit of the Board of Regents official proposed Memorandum of Understanding with Cooperative Organizations.
16. Cooperative Organizations must agree to comply with all Board of Regents policies that pertain to Cooperative Organizations.