

The University of Memphis Board of Trustees

Policy on Affiliated Foundations

I. PURPOSE

The University of Memphis Board of Trustees (hereinafter “Board”) recognizes the important and valuable role that foundations play in supporting the University of Memphis (hereinafter “University”) in achieving its overall mission. The purpose of this policy is to (i) set forth the Board’s expectations relating to the relationships between the University and affiliated foundations, and (ii) establish certain standards to ensure that each foundation operates in a proper manner in order to safeguard the reputation of the University and enhance the foundations’ benefits to the University.

II. GUIDING PRINCIPLES

- A. The creation and activities of any University affiliated foundation must promote, advance, or complement the educational, scientific, research, charitable, or cultural activities of the University or one or more of its campuses.
- B. The University will monitor the effectiveness and contributions of a foundation in support of the University’s mission through a regular reporting process. Each foundation must adopt a code of ethics that shall apply to and govern the conduct of all members of a foundation’s board.
- C. All annual reports and all books of accounts and financial records of a foundation created for the benefit of the University shall be subject to audit by the Board.

III. AFFILIATED FOUNDATIONS

- A. Establishment. An affiliated foundation (“Affiliated Foundation”) may only be established upon approval by the Board. In making its determination, the Board will review the entity’s purpose, organizational format, scope of activities, and associated risks to the University. Official recognition establishes the privileges and responsibilities associated with the relationship between the University and any Affiliated Foundation, including use of the University’s name, logo, marks, facilities, and other resources. Such recognition is established through the execution of a written affiliation agreement, operating agreement, memorandum of understanding or similar form of agreement (referred to herein, as an “Affiliation Agreement”) with the University, as approved by the Board.

- B. Approval Process. To receive approval for establishing an Affiliated Foundation, a written proposal and a business plan shall be submitted to the University President, with a copy to the University Chief Financial Officer and General Counsel. At a minimum, the proposal must outline the proposed governance structure for the new entity and include clearly defined goals and objectives for at least the first three years of operation. Proposals must include strong evidence of the need for the proposed entity and its ability to amplify or otherwise support the University's mission and strategic plan, which activity shall not be a duplication of current University efforts.

Following review and upon approval of the President, the proposed Affiliated Foundation shall then be presented to the Board's Finance and Audit Committee or to the full Board for its consideration and approval.

- C. Recognition. A list of Board recognized Affiliated Foundations is attached hereto as Appendix A. The Board Secretary is authorized to update Appendix A from time to time as may be necessary consistent with the provisions of this Policy.

IV. GENERAL REQUIREMENTS

The following provisions shall apply to all Affiliated Foundations.

- A. Legal Entity. Each Affiliated Foundation shall be organized and operated as a separately incorporated, tax-exempt entity under relevant provisions of state and federal tax law. Each Affiliated Foundation shall have its own charter or articles of incorporation, bylaws, and operating policies and procedures.
- B. Independence. A majority of the members of the governing board of the Affiliated Foundation shall be independent. Members of the Board, University employees, or immediate family members (spouse, parent, sibling, or child) or individuals who reside with a Board member or University employee shall not be deemed to be independent. One or more University employees may serve on the governing board of an Affiliated Foundation, subject to the requirements set forth in this paragraph.
- C. Ex Officio Board Appointment. At least one (1) member of the Board, as designated by the Chair of the Board, the University President or designee, and the University Chief Financial Officer or designee shall serve as ex officio, voting members of the governing board of an Affiliated Foundation.
- D. Operating Budgets. Operating budgets of Affiliated Foundations shall be prepared at least annually and shall be approved by their respective governing

body.

- E. Accounting Standards. Each Affiliated Foundation shall engage an independent certified public accounting firm to conduct an annual audit.
- F. Compliance. An Affiliated Foundation shall be responsible for complying with all applicable federal laws and regulations, as well as applicable laws and regulations of the states and the local jurisdictions in which it is formed or operates. If the organization conducts programs outside the United States, it must also abide by applicable international laws, regulations, and conventions.
- G. Assets and Dissolution. The assets of any Affiliated Foundation must be dedicated for the benefit of the University. In the event of an Affiliated Foundation's dissolution, the assets of the entity shall be transferred to the University, or its designee, as may be permitted by law.

V. OVERSIGHT AND REPORTING

- A. Annual Report. Each Affiliated Foundation must submit to the Board an annual written report. The report shall highlight the accomplishments of the Affiliated Foundation for the prior fiscal year, including a summary of the annual financial results for each of the last two fiscal years (if applicable) and as compared to the budget for the most recent fiscal year, and set forth strategic goals and key objectives for the upcoming fiscal year. The annual report shall include a list of the Affiliated Foundation's board members and officers. From time to time, the chair of an Affiliated Foundation board may be invited to present an oral presentation to the Board or one of its committees.
- B. Financial Information. The Affiliated Foundation shall provide a copy of its most recent audited financial statements, a copy of its federal tax return (e.g., IRS Form 990), or such other financial reports, schedules, and records as may be reasonably requested and necessary in order for the University to meet its financial reporting obligations.
- C. Organizational and Governance Documents. Copies of any revisions to the Affiliated Foundation's organizational and governance documents (e.g., charter and bylaws) shall be filed with the University's Office of Legal Counsel.
- D. Guidance. The University's Chief Financial Officer may establish guidance as deemed appropriate to provide further clarification or delineation regarding activities conducted by an Affiliated Foundation that may require Board and/or state agency approvals and to ensure compliance with applicable policies and procedures pertaining to use of the University's name, logo,

marks, facilities, personnel, or other resources.

VI. PERIODIC REVIEW

The University's relationships with Affiliated Foundations shall be examined periodically to determine whether such relationship shall be continued or whether a sunset provision is appropriate. Not less than every three years, the University President shall confirm to the Board that the relationship between the University and each Affiliated Foundation has been reviewed and whether the entity is fulfilling its responsibilities to the University under this Policy and the Affiliation Agreement to the President's satisfaction. A relationship with an Affiliated Foundation shall be discontinued when it no longer serves the purpose for which it was created. Additionally, noncompliance with this Policy or absence of an Affiliation Agreement may result in revocation of an Affiliated Foundation's recognized status. If the Board terminates an Affiliated Foundation's recognized status, use of any University names, logos, and trademarks, along with any University facilities, assets, or other resources, shall cease upon termination of the Affiliation Agreement.

VII. WAIVER

Notwithstanding the foregoing, the Board or its Executive Committee, in its sole and absolute discretion, shall have the authority to waive any provision of this Policy on a case-by-case basis, as may be deemed appropriate under the circumstances.

Effective Date/Revisions: December 3, 2025

LIST OF RECOGNIZED AFFILIATED FOUNDATIONS

- 1) The University of Memphis Foundation
- 2) The University of Memphis Research Foundation
- 3) Memphis Athletic Foundation
- 4) The University of Memphis Real Estate Foundation (approval pending)