



# PA State System of Higher Education Board of Governors

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**Effective:** May 21, 1985

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## **Policy 1985-05: State System of Higher Education External Financial Support**

**See Also:**

**Adopted:** May 21, 1985

**Amended:**

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### **A. Policy**

The development of independent sources of financial support by the Office of the Chancellor of the State System of Higher Education, to augment Commonwealth funding, is hereby declared a policy of the Board of Governors. The Office of the Chancellor, in conformity with this policy statement, is hereby directed to develop sources of independent support at levels sufficient to facilitate the enhancement of the State System. Further, the Office of the Chancellor shall not duplicate, interfere with, or replace the development efforts of the individual universities of the State System.

### **B. Purpose**

1. To create an environment for the support of Office of the Chancellor development efforts.
2. To define the relationships between the Office of the Chancellor and independent, but affiliated organizations which exist solely for the benefit of the State System.
3. To facilitate implementation of the powers granted to the State System through § 2003-A(b)(3) of Act 188 of 1982, relating to the right to receive and retain all manner of gifts which are "necessary or desirable for carrying out the purposes of the State System."
4. To enhance State System excellence.

### **C. Collections, Retention, and Disposition of Funds and Endowments**

1. The Board of Governors reaffirms its commitment to the implementation of Act 188 of 1982 and shall not "take or receive any moneys, goods or other

property, real or personal, which is given or granted to specific institutions" (§ 2003-A(b)(3)).

2. The Board of Governors advocates the Office of the Chancellor' roles and responsibilities in the process of external fund-raising, including the active participation in such efforts by Office of the Chancellor leadership.

**D. Office of the Chancellor Relations with Affiliated Organizations**

1. The Office of the Chancellor may affiliate with any private organization which exists solely for the benefit of the State System, including foundations, if the organization:
  - a. requires an annual external audit of its funds and provides copies of its audit reports to the Office of the Chancellor and the Board of Governors; and
  - b. makes a financial contribution to the State System or provides similar benefits to the State System on a regular basis satisfactory to the chancellor and the Board of Governors. The Office of the Chancellor shall not authorize the use of the State System's name by any such private organization except with the permission of the Board of Governors and unless the organization formally agrees to the foregoing conditions.
2. The Office of the Chancellor, pursuant to a written memorandum of understanding, may provide support services, staff, and facilities to an affiliated organization. No Office of the Chancellor employee who provides support or staff services to an affiliated organization may vote, govern, or otherwise risk adverse interest through such service.

If services, staff, and facilities are provided to an affiliated organization on a contracted basis then no Office of the Chancellor employee shall serve as a member of the board of the organization.

3. The Office of the Chancellor may enter into fiduciary agreements with any qualified affiliated organization to retain gifts and grants to the State System of Higher Education, subject to the approval of the Board of Governors.