

3349-1-190

Appendix A

Considerations for Creation of Affiliates

Policy Issues: "Will the Affiliate Serve the Best Interests of the University?"

Is the Affiliate formed to achieve a public purpose which is consistent with the mission of the University?

Does the Affiliate have a plan which has a reasonable probability of success? Have the appropriate internal constituencies been consulted (e.g., faculty, affected departments, etc.)?

Will the Affiliate's activities conflict or complete with existing university activities?

How will the Affiliate be received by external constituencies?

Financial Issues: "What are the Financial Implications of Establishing the Affiliate?"

Has a thorough and credible budget and/or business plan been prepared?

What level of financial support is expected to be provided by the University, does it serve a public purpose, the mission of the University and is it reasonable and appropriate?

What are the financial risks to the University and how are they addressed?

If the Affiliate will use University facilities or services, is proper reimbursement assured?

What is the proposed distribution of the Affiliate's revenues and surplus?

What are the provisions for recovery of University investment?

Governance Issues: "Is the Appropriate Governance Structure Established?"

Who should represent the University on the Affiliate's Board of Directors?

Are the proposed University Representatives for the Board of Directors qualified to oversee the mission and operations of the Affiliate?

Has responsibility for supervision of the activities of the Affiliate been clearly delegated to an official (e.g., vice president or dean) within the University?

Has a timeline been established for performance review and assessment?

Is the inclusion of reserve powers in the Affiliate's governing documents appropriate?

Legal Issues: "Are there Adequate Safeguards to Avoid or Minimize Legal Risks and Financial Exposure?"

Is the Affiliate properly structured to maintain the appropriate degree of separation from the University?

If University employees will be involved with the Affiliate, have they complied with all University employment policies?

Is there a plan to manage real or potential conflicts of interest?

What are the risks of legal liability that may result from the activities of the Affiliate? Are these risks adequately insured? What level of risk is the University prepared to accept?

Will the activities of the Affiliate give rise to questions regarding ownership of intellectual property?