

RELATED ENTITIESI. Purpose

The purpose of the policy is to establish the requirements for creating and maintaining affiliates related to the Board of Trustees of the University of Arkansas and any of the campuses, units or division governed by the Board.

II. General Policy Statement

The business and mission of the University of Arkansas is generally carried out through its officers and employees acting within the scope of their employment. ~~The~~When appropriate, the University has carried out its business and mission through agreements with a limited number of affiliated entities approved by the Board of Trustees or executed pursuant to delegated contracting authority. The Board ~~of Trustees~~ has also permitted and encouraged certain non-profit corporations which, although legally separate, exist to support the ~~University of Arkansas and its~~ campuses, divisions, units and programs. ~~The President is authorized to set out in a Universitywide Administrative Memorandum those supporting or related entities which operate with within the approval of the University.~~

~~The Board of Trustees of the~~ University of Arkansas recognizes ~~System.~~ To avoid the potential for conflict of interest, liability and possible detriment to the name, symbols and proprietary interests of the University, the formation of ~~Arkansas when separate legal entities outside~~ any entity to be related to the University ~~are created with the assistance or encouragement of officers and employees of the University~~ for the purpose, or with the expectation, of doing business with the University, raising financial support for the University or carrying out the mission and functions of the University, ~~is subject to these requirements.~~

III. Requirements

1. Any officer or employee who seeks to explore the formation of any such entity is required to notify the chief executive officer of the campus, division, or unit, and obtain such officer's prior approval.

1.2. No officer or employee of the University shall be a director, incorporator, officer, member or shareholder of a corporation, manager, or partner or shareholder of any business organization or other entity organized to do business with the University, to support the University or to carry out the mission of the University (whether pursuant to a contract, grant or otherwise) without the prior written approval of the

President of the University after review by the General Counsel. ~~Nor shall any officer or employee of the University be a member or director of a limited liability company, a partner of any form of partnership or otherwise hold any position or office in any other legal entity organized for the purpose of doing business with the University, supporting the University or to carry out the mission of the University without the prior written approval of the President of the University after review by the General Counsel.~~

3. A separate legal entity owned or controlled, in whole or in part, by the University, and any other entity that may otherwise be reflected in the financial statements of the University under applicable accounting rules, may only be created or dissolved with the consent of the President, who may exercise the discretion to bring the matter to the Board of Trustees for approval. If the matter is not presented to the Board for approval, the President must report the matter to the Board at its next regularly scheduled meeting. In all such instances, prior to submitting the matter to the President, the proposal and all relevant documents must be reviewed by the General Counsel.

#### IV. Authority of the President

The President is authorized to establish procedures for related entities to be established or operate with the approval of the University.

March \_\_, 2022 (Revised)

October 2, 2001