

A Principal Memorandum of Understanding ("Agreement") is hereby entered into between the University System of Georgia and the Board of Regents of the University System of Georgia, effective July 1, 1980, regarding the Cooperative Educational Program of the University System of Georgia.

WHEREAS, the Board of Regents of the University System of Georgia has authorized the Board of Regents to enter into this Agreement with the University System of Georgia; and

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

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Exhibit A

6.17 Cooperative Organizations

6.17.1 Definition

An organization is a cooperative organization if it:

1. Is organized or operated primarily:
 - for the purpose of soliciting gifts or assisting the University System of Georgia (USG) or 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;
2. Bills or collects professional fees in the name of or on behalf of a USG employee who provides professional services within the scope of their employment by the institution;
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, the Chancellor, or by the President of the relevant USG institution. The Board of Regents, the Chancellor, or the President of the relevant USG institution may designate certain cooperative organizations that are required to follow the Regents' Guiding Principles for Cooperative Organizations.

6.17.2 Relationship Between Cooperative Organizations and the USG and its Institutions

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

1. The relationship is in the best interest of the USG or the USG institution as determined by the Board of Regents and the President of the relevant institution in consultation with the Chancellor;
2. The financial records of the cooperative organization, including any audits, are available for inspection by the Chancellor and the President of the USG institution or the President's designee;
3. Any use by the cooperative organization of the name of the USG or a USG institution, or of a symbol or trademark of the USG or a USG institution, is approved in advance by the Chancellor, the President of the USG institution, or the President's designee;
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;
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;
 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;
 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.

(Revised April 2018)

University System of Georgia Guiding Principles for Cooperative Organizations

Cooperative Organizations have been extraordinarily beneficial in supporting the various institutions of the University System of Georgia in a variety of ways such as providing housing for students, endowments for faculty, acquiring real estate for institutional buildings for programs and activities. The following guiding principles are proposed in order to define the responsibilities of the institution and the Cooperative Organization as they seek to enhance the reputation and quality of the University System of Georgia.

1. The mission of the Cooperative Organization shall be defined in accordance 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 mission of each institution. It is the responsibility of the Cooperative Organization to carry out its mission as articulated by the Board of Regents in a cooperative, ethical and collaborative manner. Where appropriate, assistance in the management of property in accordance with donor intent, property, resources and funds held in perpetuity shall be provided.
3. The priorities of the institution, as set by the president, shall be integrated into the operation, activities, efforts and initiatives of the Cooperative Organization. Priorities shall be set by the President and assumed for the same by the Cooperative Organization with appropriate constituencies.
4. The Cooperative Organization's Board and Executive Committee shall include the president, or the president's designee, as a voting member. The president also shall sit on the Cooperative Organization's Board and its committees as either a member or an advisory member. Voting and/or non-voting members shall maintain productive relationships to ensure an open and ongoing dialogue between the institution and the Cooperative Organization. The importance of the volunteer chair/president of the Cooperative Organization shall be recognized and access to the institution's president shall be provided.
5. Cooperative Organizations shall have a corporate mission statement that aligns with the institution's mission to support the institution. It is expected that the interests of the institution shall have input and shall be consulted in this process.
6. Cooperative Organizations have a responsibility to ensure sound financial practices and investment practices and ensure that they follow sound financial policies and procedures.
7. The Cooperative Organization shall develop policies and procedures that ensure that all programming activities are conducted in an open and responsible manner.

laws of the State of Georgia and any other laws, rules, regulations, and administrative codes that apply to these regulations governing tax-exempt activity.

8. The Cooperative Organization shall be accountable to the institution and 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 (not the institution's policies), investment policies, operational procedures, and policies regarding the establishment of an priorities, in accordance with an approved plan.
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 institution, any property of the institution, any assets of the Cooperative Organization of the institution, any trademarks, symbols, or merchandise 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 which the Cooperative Organization is operating shall have the authority to review and/or modify the Cooperative Organization's operations and resources.
12. Notice to and concurrence of the Board of Regents of the institution is required for any 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 the institution in accordance with the institution's policies.
14. No employee of the institution, or member of their immediate family, shall receive remuneration (salary, stipend, or other 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 Board of Regents or in the absence of the Board of Regents, the Board of Trustees of the institution.
15. All Cooperative Organizations must operate in the letter and spirit of the Board of Regents' intent and in accordance with the institution's policies and procedures.
16. Cooperative Organizations must agree to comply with all Board of Regents policies that apply to Cooperative Organizations.