

Affiliated Organizations

A. Scope

This policy governs business transactions between Oral Roberts University (“ORU”) and any Affiliated Organization. For purposes of this policy, an "Affiliated Organization" includes (a) corporations, partnerships, limited liability companies or other organizations in which ORU owns (directly or indirectly) more than 50% of the ownership interests in the entity; (b) non-profit organizations in which ORU has the power to appoint or elect a majority of the organization's directors or trustees or where a majority of the organization's directors or trustees are trustees, directors, officers, employees or agents of ORU; and (c) organizations that conduct joint programs or share facilities or employees with ORU.

B. Policy Statement

All business transactions between ORU and an Affiliated Organization that is not tax-exempt under Internal Revenue Code Section 501(c)(3) ("Non-Exempt Affiliates") will be at arm's length. Further, all transactions between ORU and an Affiliated Organization that is tax-exempt under Internal Revenue Code Section 501(c)(3) ("Exempt Affiliates") will be at arm's length unless: (1) the transaction is not in connection with an unrelated trade or business (as defined in the Internal Revenue Code) of the Exempt Affiliate and (2) the transaction is in furtherance of ORU’s educational mission. For purposes of this policy, "arm's length" means the terms of the transaction are consistent with the terms that would apply if unrelated organizations had engaged in the same or similar transaction under the same or similar circumstances. ORU shall not enter into any transaction or engage in business dealings with an Affiliate Organization that is inconsistent with ORU’s stated purpose and tax exempt status.

This policy requires that, at the beginning of fiscal year of adoption of this policy and each fiscal year thereafter, ORU’s President and Chief Financial Officer shall review the terms and material facts of ongoing and expected business transactions involving Affiliated Organizations and shall confirm that all transactions are in accordance with the standards described above. ORU’s President and Chief Financial Officer are authorized to enter into and/or amend from time to time any such agreements in accordance with the terms of this policy, subject to any requirement that certain transactions be approved by the ORU Board or Trustees or a designated committee thereof.

Any chapters, branches or affiliates of ORU shall maintain operations, policies and procedures that are consistent with the policies and procedures of the University. ORU’s governing documents shall ensure appropriate governance structure with respect to any related chapters, branches, and affiliates. Policies and procedures shall be in place that prevents any chapter, branch, or affiliate of ORU from jeopardizing its tax-exempt status.

Adopted 4-16-09 by ORU Board of Trustees