

THE CITADEL  
The Military College of South Carolina  
171 Moultrie Street  
Charleston, SC 29409

MEMORANDUM  
NUMBER 1-005

25 April 2015

**AFFILIATED ENTITIES POLICY**

**1. PURPOSE**

Affiliated entities have been extraordinarily beneficial in supporting The Citadel in a variety of ways, including providing scholarships for students and cadets, endowments, acquiring real estate, and otherwise enhancing funds for the institution. The purpose of this Memorandum is to clarify the roles and responsibilities of The Citadel and affiliated entities as they seek to enhance the reputation and quality of The Citadel.

**2. REFERENCE**

26 USCA Section 501(c) *et. seq.*  
SACS Requirement  
NCAA Requirement

**3. DEFINITIONS**

Affiliated Entity – a corporation, limited liability partnership, partnership or other entity, of whatever type, is an “affiliated entity” if it:

A. Is organized or operated primarily

1. for the purpose of soliciting gifts or assisting The Citadel in soliciting gifts from third persons in the name of The Citadel or any of the institution’s programs;  
or,
2. for soliciting grants and contracts or accepting grants or entering into contracts for research or services to be performed by or in conjunction with The Citadel or using The Citadel’s facilities; or,

B. Bills or collects professional fees in the name of or in behalf of faculty members of The Citadel who provide professional services within the scope of their employment by the institution; or,

C. Includes officials, faculty, staff, or employees of The Citadel as *ex officio* members of the organization’s board of directors or other governing structure; or,

D. Is formally designated as a cooperative organization by the Board of Visitors or by the President.

#### 4. POLICY

Prior to becoming an Affiliated Entity of The Citadel, and as a condition of using The Citadel's name, symbols, logos, and marks, a corporation, limited liability partnership, partnership or other entity, of whatever type, must either:

A. Enter into a Memorandum of Understanding with The Citadel Foundation in a form substantially similar to [Annex A](#), or

B. Complete the following requirements:

1. The Affiliated Entity shall develop, adopt and follow a mission statement and comprehensive strategic plan which shall be closely aligned with the mission, functions and activities of The Citadel. The President of The Citadel shall have input into the plan, and be consulted in its development.
2. The Affiliated Entity's Board and Executive Committee shall include The Citadel's President, or the President's designee, as a voting member. Citadel officers designated by the President shall also be included on the Affiliated Entity's Board and its committees as *ex-officio*, voting members.
3. The Affiliated Entity must support The Citadel in a cooperative, ethical and collaborative manner, and engage in activities in support of The Citadel and its President.
4. The Affiliated Entity shall develop and follow sound financial, accounting and investment practices and procedures, as well as such policies as will ensure that their business, governance, and programming activities are conducted in an open and responsible manner, consistent with the laws of the State of South Carolina.
5. The Affiliated Entity shall adopt such 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 Affiliated Entity and The Citadel.
6. The Affiliated Entity shall make its financial records, including its operating budget, investment policies, operating costs, and any audits, available for inspection by the President of The Citadel or his designee.
7. The Affiliated Entity shall execute a written agreement with The Citadel describing each party's responsibilities and making clear that the Affiliated Entity is a legal entity separate from The Citadel.

8. No employee of The Citadel, nor any member of an employee's immediate family, shall receive remuneration from the Affiliated Entity without the approval of The President, or his designee; in the case of the President or a member of the President's immediate family, such approval must be obtained from the Board of Visitors.

## 5. COMPLIANCE

Failure to comply with this policy may result in revocation of the Affiliated Entity's privilege of using The Citadel's name, likeness, logos, or symbols, and/or of the privilege of raising funds or other support on behalf of or in the name of The Citadel.

## 6. NOTES

### A. Dates of official enactment and amendments:

Approved by the Board of Visitors on 25 April 2015

### B. Responsible Department:

Office of the President

### C. Responsible Official:

Executive Assistant to the President

### D. Cross References

None

## 7. RESCISSION

None

## 8. REVIEW

This Policy shall be reviewed by the Board of Visitors at least every two (2) years and revised as necessary.

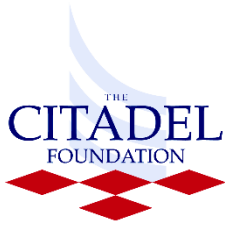
FOR THE BOARD OF VISITORS

OFFICIAL

*//signed, WMS, 25 April 2015//*  
W. MICHAEL STEELE  
Lieutenant General, USA (Ret.)  
Chair, The Citadel Board of Visitors

Attachments  
Annex A, Memorandum of Understanding

## Annex A



**Memorandum of Understanding**  
*between*  
**The Citadel Foundation**  
*and*  
**(Individual, Organization or Entity)**



### I. Purpose

The purpose of this memorandum of understanding is to establish a relationship between The Citadel Foundation and (individual, organization, or entity).

### II. Background

The \_\_\_\_\_ is a (type of organization) that (describe activities in support of The Citadel).

In (date), the (Board of Directors, Officers, etc) of (individual, organization, or entity) expressed an interest in establishing a formal relationship with The Citadel Foundation.

### III. Services and Administration

#### Services

- Processing, posting, and reporting of all gifts and dues paid to (individual, organization, or entity)
- Documentation to members regarding tax deductibility for memberships and donations
- Accounting and bookkeeping services per (individual, organization, or entity) policies, including reporting of expenses and revenues
- Providing a (individual, organization, or entity) landing page on The Citadel Foundation Web Site, allowing online memberships and donations, and providing dynamic live updates
- Assistance in managing event registration
- Administrative support to obtain event venues
- Through The Citadel Foundation Office of Annual Giving, assistance with solicitations for specific fundraising initiatives

#### Administration

- Memberships and donations may be made payable to the (organization, or entity).
- Citadel alumni memberships and sponsorships will be counted toward lifetime giving totals and increase class participation percentages.

## Annex A

- The (individual, organization, or entity) agrees to set aside a certain percentage of profits (to be determined) to establish the (individual, organization, or entity) Fund and to contribute regularly to the fund.
- The (individual, organization, or entity) agrees to abide by The Citadel Foundation's policies on solicitations and confidentiality.
- All donations made through The Citadel Foundation must offer direct support to The Citadel. According to The Citadel Foundation's charter as a 501(c) 3 organization, funds may not be donated to another charity or to any activity that does not directly benefit the college's mission or current students. The Citadel Foundation reserves the right to refuse payment for any activity that does not directly benefit the college's mission or current students.
- This memorandum of understanding may be cancelled at the discretion of either party with 30 days notice.
- In the event of the dissolution of this relationship, any contributions made prior to the dissolution will remain at The Citadel Foundation to be added to the (individual, organization, or entity) Fund or to fund (individual, organization, or entity) events until the funds are exhausted.

\_\_\_\_\_  
Individual, Organization, or Entity  
Title  
Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
John P. Dowd, III  
CEO, The Citadel Foundation  
VPIA, The Citadel  
171 Moultrie Street  
Charleston, SC 29409

\_\_\_\_\_  
Date