

Cross-References to Other Related Standards/Requirements, If Applicable

Standard 5.3 (Institution-related entities)

- 5.2.c** The chief executive officer has ultimate responsibility for and exercises appropriate control over the institution's fund-raising activities.
(Control of fund-raising activities)

Rationale and Notes

The achievement of an institution's mission often depends on successful fund raising. Therefore, the institution's CEO has ultimate control of the institution's fund-raising activities because fund-raising activities need to support the institution's priorities and initiatives as identified by the governing board and the CEO. It is the responsibility of the CEO to monitor these priorities.

NOTE

This standard refers to internal institutional fund raising and not independent, separately incorporated entities. (These entities fall under Standard 5.3 [Institution-related entities].)

Questions to Consider

- How does the institution's CEO exercise administrative and financial control over institutional fund raising, including policies and procedures and operating budgets?
- What is the reporting structure between the CEO and offices involved in fund-raising activities?
- Do fund-raising activities support the mission of the institution?
- What is the role of the governing board in fund-raising activities?
- If not operated as independent, separately incorporated entities, what role does the CEO play in oversight of activities of alumni groups, institutional centers, or similar bodies?

Sample Documentation

- Job descriptions clarifying the reporting structure for those directing fund-raising activities.
- Organizational charts establishing reporting relationships.
- Memos, minutes, and/or written correspondence establishing the role of the CEO in exercising control over fund raising.
- Policy and procedure statements or manuals on fund raising.

Reference to SACSCOC Documents, If Applicable

None noted.

Cross-References to Other Related Standards/Requirements, If Applicable

Standard 5.3 (Institution-related entities)

- 5.3** For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs:
- (a) The legal authority and operating control of the institution is clearly defined with respect to that entity.
 - (b) The relationship of that entity to the institution and the extent of any liability arising from that relationship are clearly described in a formal, written manner.
 - (c) The institution demonstrates that (1) the chief executive officer controls any fund-raising activities of that entity or (2) the fund-raising activities of that entity are defined in a formal, written manner which assures that those activities further the mission of the institution.

(Institution-related entities)

Rationale and Notes

It is common for institutions of higher education to create or have affiliations with independent, separately incorporated entities. Often these entities bear the name of the higher education institution. These separate entities are often formed to raise private gifts to supplement other institutional resources and to manage their distribution. Other entities assume responsibility for institutionally related activities such as managing hospitals, operating research enterprises, establishing centers of excellence, or funding and operating residence halls.

Any entity related to the institution and having as its primary purpose to support the institution or its programs can, at its best, be a major source of strength to the quality and success of the institution. However, at its worst, such a related entity can be an interfering body that uses its resources to exercise inappropriate control, influence, or management of the institution, or whose actions place the institution at risk. It is critical to assure that the institution does not become so reliant on an outside related entity that its autonomy is compromised and its continued functioning is put in jeopardy.

This standard expects that the legal authority and operating control within the institution's governance structure is clearly defined as it relates to these separate entities. There is also an expectation that any liability arising out of the relationship with the related entity is clearly described in a formal, written manner. Further, the Commission expects the institution's chief executive officer to control any fund-raising activities of that entity or to define the fund-raising activities in a formal, written manner to ensure that the activities further the mission of the institution.