

**EXCERPT FROM THE PRELIMINARY REPORT
OF THE REAFFIRMATION COMMITTEE**

Statement Regarding the Report

The Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is responsible for making the final determination on reaffirmation of accreditation based on the findings contained in this committee report, the institution's response to issues contained in the report, other assessments relevant to the review, and application of the Commission's policies and procedures. Final interpretation of the Principles of Accreditation and final action on the accreditation status of the institution rest with SACSCOC Board of Trustees.

Name of the Institution: **University of South Carolina - Columbia**

Date of the Review: **November 3-4, 2020**

SACSCOC Staff Member: **Dr. Linda Thomas-Glover**

Chair of the Committee: **Dr. Timothy S. Brophy**
Director, Institutional Assessment
and Professor, Music Education
University of Florida
Gainesville, FL 32606

5.3.c

Institution-Related Entities: Control of Fund-raising Activities

5.3 For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs:

- (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 that assures those activities further the mission of the institution.

(Institution-related entities)

Non-Compliance

The institution has authorized six independent, separately incorporated entities formed primarily for the purpose of supporting the institution and its programs. These entities are:

- the University of South Carolina Educational Foundation;
- the University of South Carolina Development Foundation;
- the University of South Carolina Business Partnership Foundation;
- The South Carolina Research Foundation;
- The Educational Foundation of the University of South Carolina Lancaster; and
- The University of South Carolina Alumni Association.

The relationship between the University of South Carolina and each Foundation is defined by a written affiliation agreement (“Affiliation Agreement”) approved by the University of South Carolina Board of Trustees (“Board of Trustees”) and the Support Foundation’s Board of Directors or Trustees. The institution provided, and the Committee reviewed, the Affiliation Agreements for the six foundations. The Affiliation Agreements are reviewed and updated periodically; most recently, the Affiliation Agreements for the University of South Carolina Educational Foundation, the University of South Carolina Development Foundation and the University of South Carolina Business Partnership Foundation were reviewed and approved by the Board of Trustees on July 19, 2020, and the Affiliation Agreements for the South Carolina Research Foundation, the Educational Foundation of the University of South Carolina Lancaster, and the University of South Carolina Alumni Association were reviewed and approved by the Board of Trustees on August 14, 2020. As required by the South Carolina Nonprofit Corporation Act [See Section 33-31-101 et seq. of the South Carolina Code of Laws] pursuant to which each Support Foundation was created, each Support Foundation is governed by a Board of Directors or Trustees whose statutory and fiduciary duties require it to maintain separate and distinct corporate status from the institution and to act in the best interests of the foundation. Each Affiliation Agreement also recognizes that the primary purpose of the foundation is to support the mission of the institution.

The Affiliation Agreements articulate that the activities of each Support Foundation are independent of and do not create liability for the University of South Carolina. Each Affiliation Agreement provides:

Relationship of the Parties. Nothing in this Agreement shall be deemed to create a partnership or joint venture between the Parties, and each of the Parties is an independent contractor to the other Party in all matters

Limitation of Authority. Neither Party shall obligate the other Party, pursuant to contract or otherwise, without the express written consent of the other Party.

Further, each Affiliation Agreement contains a Limitation of Liability provision that protects the University of South Carolina from liability arising from the activities of the Support Foundation.

Some of the Affiliation Agreements, however, do not appear to address the fundraising activities of the entities, thus the Off-Site Reaffirmation Committee is unable to determine compliance with this Standard.