

**SECTION IX: Fiscal/Financial Policies**

VIII-7.00 - POLICY ON FINANCIAL MANAGEMENT

(Approved by the Board of Regents, June 21, 1990)

1. The Board of Regents recognizes the desirability and importance of gathering and publishing consistent and comprehensive System-wide financial information for a variety of internal and external purposes.
2. The Chancellor shall submit annually to the Board of Regents an audited consolidated financial report for the University of Maryland System.
3. The Chancellor shall submit to the Board of Regents periodic financial management reports that shall include revenue and expenditure data for the year to date as compared with budgeted data, an assessment of the expected revenues and expenditures for the year, and an analysis of deviations.
4. The Chancellor shall establish and promulgate financial procedures. The procedures shall provide for accounting standards for the University of Maryland System, timely submission of financial data from the constituent institutions and components, and such financial information as is necessary to meet internal and external requirements. The System's external certified public accounting firm shall be consulted as necessary to ensure that the procedures are consistent with industry accounting standards.

Replacement for: BOR V – 14.00

VIII-7.00(A) - UMES PETTY CASH FUND POLICY

(Approved by the President January 1, 1992)

I. POLICY

- A. A department or activity petty cash fund may be established only upon approval from the Vice President for Administrative Affairs. It is the policy of UMES that the individual departments shall not maintain ongoing petty cash funds. Any department or activity seeking to establish a petty case fund must submit a written request to the Vice President for Administrative Affairs through the appropriate channels justifying the need for a fund. The Vice President for Administrative Affairs shall notify the requesting department of approval or disapproval. If the request is approved, the fund is then established by means of an advance to the department. In general, items that normally require a purchase order should continue to be submitted to purchasing by submitting a requisition.
- B. Petty cash funds must be kept separate and apart from all other funds, and not commingled with personal funds, miscellaneous cash receipts, or revenue of any type. Petty cash is not to be used for purchasing personal services, making advances to employees, cashing checks, purchasing coffee supplies, or making other non-operating disbursements.
- C. The department or activity head and the custodian are jointly responsible for insuring that the funds are properly safeguarded. When not in use the fund should be stored in a locked container. If a loss occurs, the funds may be recovered from the department's funds.

Each petty cash expenditure must be supported by a vendor's paid receipt or invoice to be kept with the fund until reimbursement is obtained. The total of receipts and cash on hand should always equal the amount of the advance from the comptroller. Expenditures chargeable to more than one University account may be paid out of a single petty cash fund.

Before all petty cash has been expended, the custodian should submit a petty case reimbursement letter to the comptroller's office. A petty cash fund that is adequate to the department's needs should require reimbursement once a month.

The amount of a petty cash fund may be increased, provided the increase is justified, by submitting a request to the Vice President of

Administrative Affairs. A petty cash fund may be decreased whenever the total amount of funds exceeds departmental needs. The excess is to be returned to the comptroller.

The custodian shall be required to confirm the amount of the petty cash fund to the auditors and may from time to time have the fund counted by the auditors on a surprise basis.

All purchases made for the University are exempt from State sales tax. When making a purchase for the University the employee must present the individual's University ID card and give the following tax exempt number 3000256-3.

VIII-7.00(D) - UMES POLICY CONCERNING FINANCIAL COMMITMENTS

(Approved by the President January 1, 1992)

I. POLICY

It is the policy of UMES that no employee has the authority to make any purchase commitment, enter into any contract for materials or supplies or otherwise to take any action which may be construed as financially binding to the University except through the usual channels under the authority of the President, Vice President for Administrative Affairs or the UMES Director of Procurement.

VIII-7.00(E) - UMES POLICY AND PROCEDURES CONCERNING REVOLVING FUNDS

(Approved by the President January 1, 1992)

I. POLICY

Revolving funds represent special activities not included in the formal University budget process. All revolving funds must be reviewed annually for renewal consideration. The transfer of State funds into revolving fund accounts is prohibited, except for interdepartmental billings for services rendered.

All purchases using revolving fund monies are subject to existing University purchasing policies and procedures, and State law and regulation. The hiring of full-time or part-time permanent personnel for a revolving fund activity is not normally allowed. The Campus Finance Committee must be petitioned for specific written approval prior to hiring permanent personnel who are to be funded from a revolving fund.

II. NEW FUND REQUESTS

All requests for new revolving fund accounts require the approval of the Vice President for Administrative Affairs. The procedure for approval is as follows:

1. A Justification Form and proposed budget must be submitted for review and approval to the Department Chair. The forms may be obtained from the Comptroller's Office.
2. After approval by the Department Chair, the signatures of the Dean and appropriate Vice President must be obtained on the Justification Form and the proposed budget.
3. The approved forms along with appropriate supplemental materials should be forwarded to the Comptroller.
4. Upon approval by the Comptroller the forms are forwarded to the Vice President for Administrative Affairs for final approval.
5. Approved account requests are sent to the Comptroller for establishment of an appropriate account number.
6. In cases where a revolving fund activity plans to charge or increase a fee or rate, approval must be obtained from the Office of the Vice President for Administrative Affairs.

III. ANNUAL RENEWAL PROCEDURE

1. An annual request fund must be prepared for each revolving fund account for the upcoming fiscal year by May 31 of each year following the same steps as outlines above.
2. Any change in the original fund should be described fully in order to assure correct fund classification and continuation of the fund.
3. In the event an annual renewal request is not submitted, the revolving fund shall be terminated on the first day of the upcoming fiscal year. Any revolving fund balances shall be transferred per the State Disposition of Balances in the letter of justification.

301.0 VIII-11.00 - POLICY ON UNIVERSITY SYSTEM TRAVEL

(Approved by the Board of Regents, February 28, 1992)

The University of Maryland System's travel policies are intended to facilitate travel and travel arrangements; to provide full reimbursement for all necessary expenses; and to protect travelers against the risk of loss, while simultaneously maintaining the necessary controls for accountability.

1. TRAVEL APPROVAL

All travel is to be documented. Pre-approval is required for out-of-state travel. Required approvals may vary according to the travel destination and sources of funds as determined by each institution. For purposes of clarity, University System business conducted in the "Washington D.C. Metropolitan Area" is classified as in-state travel.

2. RESERVATIONS AND TICKETING

Travelers and travel arrangers should ensure that all arrangements are reasonable and appropriate and be alert to possibilities to obtain air, hotel and rental car services at the discount rates available to the University System or institution. Travelers are expected to make advance bookings, using the least expensive logical fare via the most direct route (or other reasonable routing that results in a lower fare) and are encouraged to purchase air and rail tickets and reserve in-trip services through the contract travel service vendors identified by each institution. Travelers should consult institution procedures governing non-contract travel purchases in advance of committing personal funds to determine if they will be reimbursable.

In the event of changed plans, cancellation and other penalties will be paid by the institution provided that the cancellation or change was made for the convenience of the institution or was necessitated by circumstances of an emergency nature affecting the traveler, in accordance with policies or procedures established by the institution.

3. HOTEL, MEAL, AND OTHER EXPENSE REIMBURSEMENT

The cost of hotel accommodations will be reimbursed on the basis of receipts. Any overage above the single room rate, which is a result of non-official travelers utilizing the accommodations, will be the personal financial responsibility of the traveler. Institutions are responsible for procedures to establish that the room rate reimbursed is appropriate.

For domestic travel, meal expenses will normally be reimbursed on per diem rates for Standard and High-cost areas as those rates are established in Attachment VIII-11.10 to this policy.

The Chancellor will identify the locations designated as high cost and this information will be included in Attachment VIII-11.10. Foreign travel is reimbursed at actual cost with receipts or at the applicable U.S. Department of State meal and incidental (M&IE) rate without receipts. The Board of Regents will review the rates biennially.

Travelers are not required to provide individual meal receipts or to show a per meal breakdown for daily travel using the Standard and High-cost rates for domestic travel or the U.S. Department of State M&IE rate. A partial day's travel is eligible for the appropriate meal(s) consumed when travel time encompasses a period of two hours before and two hours after that (those) meal(s). Institutions have the authority to determine which circumstances may warrant a higher level of reimbursement and the procedure for approval. Such transactions must be accompanied by receipts.

Reimbursement of miscellaneous expenses such as telephone calls, laundry/valet, parking fees, and the like are reimbursable. Institution policies and procedures will define reimbursable miscellaneous expenses and specify receipt requirements.

Institution funds may not be used for the purchase of alcoholic beverages or additional flight insurance.

Institutions should encourage the use of their credit card programs for the payment of in-trip expenses such as hotels and car rentals. Institutions have the authority to determine if special circumstances may warrant the issuance of travel advances, if such funds are available.

4. USE OF INSTITUTION AND PERSONAL VEHICLES

State (i.e., institution- and System-owned) vehicles may be driven only by University System officers and authorized institution and System personnel and only when acting within the scope of their public duties. Students for whom the State Treasurer has issued an insurance certificate are considered authorized personnel for this purpose. A volunteer may be considered authorized personnel only when he or she is engaged in providing a service to the institution, is not paid by the institution, and is providing the service as part of a formal volunteer program.

Any person driving a State-owned vehicle must have a valid driver's license, comply with all traffic laws, and obtain approval as required by University of Maryland System, or institution policies and procedures.

Properly insured personal vehicles may be used for travel on institution business. The use of a personal vehicle will be reimbursed at the rate established in Attachment VIII-11.10 to this policy when travel is in compliance with institution procedures.

Where a car rental is deemed necessary, the institution expects the lease of the least expensive car which will accommodate the trip's requirements. Travelers should take advantage of University System, Federal and State Government, and institution vendor discount rates which are available.

Travelers should consult institution policies or procedures governing reimbursement of Collision Damage Waiver (CDW) car rental insurance coverage.

5. TRAVEL WITH SPOUSES

When spouses travel with institution employees but are not themselves serving as agents of the institution, travelers should be careful to maintain a record of individual expenses. The institution will not reimburse any expenses incurred on behalf of the spouse. Likewise, airfare or any other travel expense that is directly billed to the institution should not include expenses for the spouse.

6. INVITATIONAL, EXTENDED TRAVEL, AND OTHER SPECIAL CIRCUMSTANCES

Institutions may establish appropriate criteria and authorization, and reimbursement procedures for invitational travel, extended field and research trips, sponsored travel, and authorized non-employee travel consistent with general University System and institution policies.

7. HOTEL, MEAL, MILEAGE RATE AND OTHER SPECIFIC REIMBURSEMENT

The approved rates for hotels, meal expenses, mileage rate for the use of personal vehicles, the designation of high-cost locations for travel, and other rates will be specified in Attachment VIII-11.10 to this policy. The Chancellor will review the information in Attachment VIII-11.10 as a minimum during the first quarter of the fiscal year and provide the institutions with a current schedule of reimbursement rates. At the same time, a schedule of current rates with changes annotated will be provided to the Chairperson of the Committee on Finance of the Board of Regents for information.

8. INSTITUTION AUTHORITY AND RESPONSIBILITY

Each institution will publish clear and concise information on institution policy, requirements, and procedures consistent with the System-wide travel policy. Where there is cooperation between institutions in processing travel documents, consistent policies will be established. Each institution should identify a Travel Coordinator to work directly with travelers, the contract travel services, and other Travel Coordinators at other institutions to secure the best possible travel service across the University System. Routine procedures and posture toward the consideration of exceptions for special circumstances as outlined in this document are the responsibility of the institution.

Replacement for: BOR VI - 27:00

VIII-11.10 – SCHEDULE OF REIMBURSEMENT RATES (FY 2006 Revised)

(Approved by the Chancellor, September 19, 2005)

1. RATES FOR HOTELS

Cost of hotel accommodations are reimbursed on the basis of receipts for single-room rate, in accordance with institution policy to establish that the room rate is appropriate.

2. RATES FOR MEAL EXPENSES

The standard per diem rate for domestic travel is \$39 per day. If circumstances necessitate a “high cost” meal, reimbursement may be approved up to actual reasonable cost with detailed receipt, pursuant to institution policy. In the absence of receipts or a “high-cost” rate reimbursement schedule, travelers will be reimbursed for domestic travel at the standard per diem rate. Foreign travel is reimbursed at the applicable U.S. Department of State Meal and Incidental Rate without receipts, or actual cost with receipts.

3. MILEAGE RATE FOR USE OF PERSONAL VEHICLE

University System employees will be reimbursed at the rate of 40 cents per mile from July 1 to September 20, 2005 and 48 cents per mile from September 21 to December 31, 2005, and 44.5 cents per mile from January 1 to June 30, 2006 or as governed by institution guidelines where the institution operates a motor pool.

UNIVERSITY SYSTEM OF MARYLAND PER DIEM RATES FOR MEALS

JULY 1, 2005

STANDARD

Breakfast	\$ 8.00
Lunch	\$10.00
Dinner	\$21.00
Total	\$39.00

MILEAGE RATE FOR USE OF PERSONAL VEHICLE

January 1, 200 to June 30, 2006

\$.44.5 cents per mile

IX – 2.00 - POLICY ON AFFILIATED FOUNDATIONS

(Approved by the Board of Regents on March 1, 1989; Amended on November 29, 1990 and Amended on October 1, 1999)

The Board of Regents of the University System of Maryland recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the University System, its constituent institutions and components (hereinafter collectively referred to as "the System") or for any or all of the educational and support activities that are operated by the System. Accordingly, the Board of Regents wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the System will cooperate in every way possible with the work of affiliated foundations. The Board of Regents may recognize as an affiliated foundation an organization that is created and operated in support of the interests of the University System of Maryland or one of its constituent institutions or components, and has as its purpose one or more of the following:

1. To facilitate fund-raising programs and contributions from private sources to foster and promote the general welfare of the System or one of its components;
2. To manage and invest private gifts and/or property for the benefit of the System or one of its components; or
3. To promote, sponsor, and implement educational, scientific, research, charitable or cultural activities for the benefit of the System or one of its components and to engage in activities to enhance further the educational, research or service mission of the System.

A subsidiary legal entity formed or owned by an affiliated foundation may use the name or facilities of the System (including any of its institutions or components) only if it is separately recognized by the Board of Regents pursuant to this policy. Each organization recognized as an affiliated foundation shall comply with the policies listed below.\* Pursuant to its statutory responsibilities, the Board of Regents may revoke its recognition of a foundation that fails to comply with these policies, in which case the foundation shall no longer be entitled to use the name or facilities of the System.

Establishing a Foundation

1. A foundation may be affiliated with one of the following entities: the University System of Maryland, one of the 13 institutions of the System, or such other component of the System as the Board of Regents may determine. The following official shall be the System official responsible for relations with foundations affiliated with his or her institution; including monitoring compliance with System policies and agreements between the foundation and the System:
  - (a) The University System of Maryland -- the Chancellor
  - (b) The 13 institutions and any component of the institutions – the appropriate President unless otherwise approved by the Board of Regents.

The officials listed above shall hereinafter be referred to as the "Responsible Official" with respect to any foundations affiliated with his or her institution or component.

2. In accordance with Senate Bill 296, Laws of Maryland, 1999, the President of a constituent institution may establish campus-based foundations without the approval of the Board of Regents. All foundations shall operate in accordance with policies adopted from time to time by the Board of Regents in consultation with the Presidents of the institutions and approved for form and legal sufficiency by the Office of the Attorney General.
3. A President shall give the Chancellor timely notification of any new affiliation with a foundation. Such notice shall include the name of the foundation, its mission statement, its initial Board members, and copies of its Articles of Incorporation and corporate bylaws. Any issue about the propriety or right to a foundation's name shall be resolved by the Board of Regents. The Board of Regents shall be notified of any change in the purposes or scope of activities of an affiliated foundation occurring after its recognition by the Board.

4. Each foundation shall enter into an annual written agreement with the System or with the component or institution with which the foundation is affiliated. The written agreement shall establish the relationship between the parties, describe the purpose of the foundation, and acknowledge the applicability of these policies, which shall be incorporated by reference therein. Written agreements must be signed by the Responsible Official and by the foundation officer authorized to sign such agreements and shall be approved by the Chancellor or the Chancellor's designee to ensure consistency with all applicable Regents' policies.
5. The written agreement between the institution and the foundation shall condition the organization's use of the institution's name or any other name, emblem, or mark to which the University has any legal right, upon the foundation's continuing compliance with the agreement and all System policies on affiliated foundations.
6. Ensuring foundation compliance with Regents' policies and reasonably prudent business practices shall be included in the President's and, if different than the President, the Responsible Official's annual evaluation.

#### Structure and Independence

7. Each foundation shall operate as a Maryland not for profit non-stock corporation that is legally separate from the System and is recognized as a 501 (c) (3) public charity by the Internal Revenue Service. The management and control of a foundation shall rest with a board of directors. Officers and staff members of a foundation and system staff assigned to carry out functions of a foundation shall be bonded and liability insurance for directors and officers shall be obtained by the foundation, in amounts to be determined by the board of directors.
8. Presidents may only be ex-officio and non-voting members of the foundation's board of directors. System employees may serve as voting members of the board of directors of any affiliated foundation, provided that System employees do not constitute more than 20% of the foundation's board of directors.
9. With the approval of the Responsible Official, an officer or employee of the System may also serve as an officer or employee of an affiliated foundation. An employee or officer of a foundation who is also an employee or officer of the System may not represent both parties in any negotiation between the foundation and the System.

- a. The executive director and support staff of an affiliated foundation should be paid employees of the foundation and not of the institution. Support staff is defined to be those individuals who provide direct services to the foundation, such as clerks, secretaries, and accountants and does not include fundraisers. Should this not be practical (e.g. an institution employee provides only part-time services to the foundation), the foundation shall make a direct reimbursement to the institution for its share of the employee's salaries and fringe benefits. The foundation shall reimburse the institution for at least 33% of these costs beginning July 1, 1999, 66% beginning July 1, 2000 and 100% beginning July 1, 2001.

If a foundation requires a 100% level of effort from an individual, that individual shall be a paid employee of the foundation and not of the institution. If an institution employee currently provides that level of effort and would lose benefits if transferred to the foundation, then the foundation shall hire and pay for that support when the current employee no longer provides that support.

- b. Alternatively, institution staff may be assigned to carry out functions of an affiliated foundation, including serving as administrative officers and support staff of the foundation without reimbursement to the institution.

In any such case, the University resources so used shall be quantified, included in the written agreements, and measured against funds transferred from the foundation to the institution. Also, the written agreement shall require that the foundation's funds may be expended only by transfer to appropriate institution accounts from which they may be paid out only in accordance with donor's wishes and applicable system and institutional policies and procedures. Any exception to that requirement must be approved in advance by a member of the foundation's board of directors who shall not be a University employee and shall be reported annually to the Chancellor.

10. A foundation may use non-staff resources (e.g. space, equipment, facilities) of its affiliated institution without direct, dollar for dollar reimbursement to the institution. The resources shall be quantified, included in an annual agreement, and measured against funds transferred from the foundation to the institution, or paid by the foundation on behalf of the institution.

## Activities

11. Foundations may not engage in activities that conflict with federal or state laws, rules and regulations, System policies, or the role and mission of the System. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.
12. All activities of affiliated foundations shall be in conformance with Section 501 (c) (3) of the United States Code. In particular, "No substantial part of the activities (of an affiliated foundation shall be) carrying on propaganda, or otherwise attempting to influence legislation." Furthermore, no affiliated foundation shall directly or indirectly "participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office." In particular, an affiliated foundation may not make any contribution, whether in money or in kind, to any candidate for public office. The purchase of tickets to an event intended to raise money for use by a candidate in a political campaign is a violation of this policy.
13. Except with the express, prior approval of the Responsible Official, no foundation shall conduct educational or research activities (including administration of a research grant or contract) that would be considered within the normal scope of the mission of the System or any of its components. If approved, the Responsible Official must justify in a letter to the Chancellor the reasons for a federal or state contract or grant to be managed by the foundations.
14. Pursuant to State law, a foundation may not offer an educational program (i.e., an organized course of study that leads to the award of a certificate, diploma or degree) unless it has obtained a certificate of approval from the Maryland Higher Education Commission to operate as an institution of postsecondary education. A foundation shall not apply for a certificate of approval without first obtaining written approval from the Responsible Official.

## Business Operations

15. All correspondence, solicitations, activities, and advertisements on behalf of a foundation shall use the name of the foundation and shall be clearly identified as an activity of that foundation to ensure that the public is aware that the activities undertaken by the foundation are separate and distinct from those of the System. The letterhead of a foundation shall carry the complete legal name of the foundation (e.g., The University of Maryland Foundation, Inc.). Trademarks, service marks, logos, seals, or the name of the System or any of its constituent institutions or components may be used by a foundation only with the prior written approval of the Responsible Official.
16. In all negotiations and transactions with third parties, for fund raising, enterprise activities and all other activities, foundation officers and employees shall take care to ensure that all parties involved are aware that the foundation is an independently established and separately operated legal entity from the System. Obligations of affiliated foundations shall not be obligations of the System or the State of Maryland.
17. Foundation funds shall be kept separate from System funds. System trust funds shall not be transferred to foundations for any purpose except, when appropriate, by action of the Board of Regents after approval by the Attorney General's Office. Funds or gifts payable to the Regents, the University System of Maryland, one of its constituent institutions, or to any other system component shall not be deposited with a foundation.
18. Acceptance of gifts by the System or a foundation is subject to applicable University System of Maryland policies on gifts. Fund-raising campaigns and solicitations of major gifts for the benefit of the System by foundation personnel shall be approved in advance by appropriate System officials and should be compatible with the plans and needs of the System. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by a constituent institution or other component of the System, a foundation must obtain the prior approval of the Responsible Official. The foundation shall assure that each gift shall be used in accordance with the legally enforceable terms and conditions attached to such gift.
19. Financial activities of a foundation shall be administered in accordance with prudent business practices. Each foundation's board of directors shall adopt an expense authorization and reporting process. The process shall define the dollar threshold and nature of expenses requiring approval of a member of the board of directors, who shall not be a USM employee, and it shall define the type and frequency of expense reporting to the board of directors.

20. Should an affiliated foundation's investments under perform appropriate market indices for three consecutive years, the Regents may request from the foundation an independent review of its investment strategies along with plans for corrective action.
21. All USM affiliated foundations shall be assessed an annual overhead charge that shall be determined by the Board of Regents in consultation with the Presidents. The charge shall be transferred to the University of Maryland Foundation, Inc. (UMF) to cover certain costs incurred by UMF on behalf of the Board of Regents and the Chancellor.

#### Audits and Reports

22. Each foundation shall be audited annually by an independent certified public accountant who is not a director or officer of the foundation and who is approved by the Responsible Official. Each foundation should conduct its fiscal operations to conform to the University System's fiscal year. Each foundation shall prepare its annual financial statements in accordance with generally accepted accounting principles. The independent audit shall be a full scope review, performed in accordance with generally accepted auditing standards. As part of the audit, the auditor shall verify a summary annual report of transfers of funds made to the System. Additionally, each foundation shall have a management letter prepared annually by its independent certified public accountant and submitted to the foundation's board of directors.
23. To ensure compliance with Paragraphs 11 and 12 of this policy, each year each affiliated foundation shall provide a separate audit of all unrestricted funds available to the Chancellor and/or the President(s).
24. Foundations shall make use of an internal auditor to strengthen their ongoing commitment to continuously improve internal operations and processes. Foundation internal auditors shall possess sufficient experience and training to be able to carry out their duties in a professional manner. They must adhere to the Standards for Internal Audit published by the Institute for Internal Auditors, Inc.
25. From time to time, the directors and chief officers of each foundation should review their responsibilities and the business and operational risks facing the foundation. The Director of Internal Audit of the USM shall coordinate meetings with the presidents, foundation boards, directors and principal managers of each foundation to discuss these risks and the potential impact on the foundation. These meetings may also take place at the request of the Chancellor, president, or the foundations' board of directors, but shall occur at least every three years. Such reviews shall include such topics as engagement letters from outside auditors, review of tax laws as they impact foundations, best business practices, internal control structures, and the experiences of similar foundations throughout the country.
26. A foundation shall permit the Responsible Official or his or her designee to inspect, at reasonable times, the following documents: the foundation's books and records; its most recent federal and state tax returns; and a list of employees, consultants, and legal counsel for the fiscal year.
27. Within 120 days after the close of the System's fiscal year, each foundation shall provide the Responsible Official with copies of the following:
  - annual financial audit report;
  - annual audit report of transfers made to the system;
  - annual audit report of unrestricted funds available to the Chancellor and/or the President(s);
  - a list of foundation officers and directors;
  - a list of System employees who received compensation or other payments from the foundation during the fiscal year and the amount of that compensation or payment;
  - a list of all state and federal contracts and grants managed by the foundation; and
  - an annual report of the foundation's major activities.
28. Should the foundation not submit the required reports within the required time period, the Chancellor and the responsible official shall issue a joint warning to the foundation. Should the foundation not demonstrate satisfactory progress toward immediate compliance, the Board of Regents may revoke its affiliated status or take other appropriate action.

29. The Chancellor may request from the Responsible Official information on affiliated foundations according to the schedule and format specified by the Chancellor.
30. At the request of the Chancellor or the Chairperson of the Board of Regents, the foundation shall permit the internal auditors of the Board of Regents access to all books and records of the foundation.
31. The Chancellor shall annually send any revised Regents' policies, foundation audits and other reports required by the Board of Regents in this policy to the Legislative Reference Office within 180 days of the end of the USM fiscal year.
32. The Board of Regents shall issue an annual report to the Legislative Joint Audit Committee regarding the operations of the affiliated foundations. The report shall be available no later than 180 days after the end of the System's fiscal year.

\*Note: Clinical practice plans and alumni associations are not covered by this policy, but shall be governed by a separate policy. The following provisions of this policy do not apply to the University Research Corporation International: 1) second sentence of #8; 2) #9a and b; and 3) #13.