

Lehigh University Policy on Joint Venture Activities

From time to time, opportunities may arise for the University to participate in joint venture activities with outside entities in order to provide services or engage in activities that are related or unrelated to the University's primary mission. These ventures may be structured in many forms, including partnerships, limited partnerships, limited liability companies or simple memoranda of understanding and can be complicated by provisions for revenue sharing or other unique fee arrangements. At a minimum, for purposes of this policy "joint venture activities" shall include a partnership, limited liability company, or other entity treated as a partnership for federal tax purposes, as described in IRS regulations 301.7701-1 through 301.7701-3. University departments and offices should direct to the Office of the General Counsel any questions regarding whether an arrangement or activity under consideration may constitute a joint venture.

Any joint venture of the University shall be approved in advance by the President. In addition, any joint venture which may constitute a subsidiary organization of the University must be approved in advance by the Board of Trustees.

Any joint venture of the University shall be:

- Governed by a written agreement; and
- Reviewed by :
 - the Vice President for Finance & Administration;
 - the General Counsel; and
 - the relevant Vice President for the area in which the joint venture has been proposed.

All joint ventures of the University shall:

- Refrain from engaging in any activity that would jeopardize the University's tax exempt status;
- Provide sufficient control of the University over the joint venture and its activities so that the University's tax exempt status is not jeopardized;
- Give priority to the University's tax exempt purpose and missions over the private gain and for-profit interests of other entities; and
- Ensure arms-length dealings and the avoidance of conflicts of interest in all contracts between the University and the joint venture.