

Lehigh University Policy on Oversight of Affiliated Organizations

For purposes of this policy, affiliated organizations are defined as organizations over which Lehigh University has the legal authority to exercise supervision and control, and organizational units that function with a level of independence akin to that of separate organizations but that are not separate legal entities. Lehigh University's affiliated organizations are currently defined to be:

- Ben Franklin Technology Partners of Northeastern PA (BF)
- Manufacturers Resource Center (MRC)
- Lehigh and Northampton Counties Revolving Loan Fund (RLF)
- Lehigh University Small Business Development Center (SBDC)
- Centennial School (Centennial)

Lehigh University has a responsibility to ensure that the operations of these affiliated organizations are consistent with, and supportive of, the University's mission and business practices. Appropriate oversight and control is enforced by the following means:

- All financial transactions are processed through the University's administrative offices to ensure compliance with Lehigh University policies and procedures. Limited exceptions to Lehigh University policies that are necessary to maintain appropriate levels of corporate legal separation or autonomy for these organizations are reviewed by the Lehigh members of their Board of Directors or appropriate management at the University. (Exceptions primarily include the compensation review process and merit/bonus pay determinations and tuition benefit plan policies.)
- The Provost and Vice President for Academic Affairs (or designee) is a member of the MRC and BF Boards.
- The Vice President, Finance & Administration is a member of the MRC and BF Finance Committees.
- The Manager of Research Accounting is the Treasurer of RLF
- The Vice President, Finance & Administration is a Centennial School Advisory Board member
- Employees of the SBDC and Centennial School are University employees subject to University employee policies and procedures
- All affiliated organizations are required to use external auditors that are selected by the University. Any audit concerns are reported to the University.
- The Office of Internal Audit provides periodic oversight of all affiliated organizations

- The Office of the General Counsel provides legal advice to the University administration with respect to the legal status of affiliated organizations and appropriate oversight mechanisms based upon legal status and relationship of the organization to the University
- The Office of Risk Management receives evidence of affiliated organizations' insurance coverages to ensure that such coverages are primary for the organizations' own risks and separate from the University's insurance coverages, as appropriate, depending upon the organization. The University's Excess Liability Insurance "sits over" the affiliated organization's primary liability insurance.
- The financial and operational risks associated with the affiliated organizations are subject to periodic review by the University Board of Trustees Audit Committee

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