Establishing a New University-Related Subsidiary or Affiliated Corporation

POLICY STATEMENT

Cornell University establishes corporate entities that operate as separate subsidiaries or stand-alone affiliates only if there are compelling legal and/or business reasons to justify creation of a separate corporation.

REASON FOR POLICY

The university imposes tight controls on the creation of subsidiary and affiliated corporations in order to exercise responsible stewardship over the university's tangible and intangible assets, to manage risk exposure, and to facilitate compliance with reporting and other legal requirements.

ENTITIES AFFECTED BY THIS POLICY

All units of the university

WHO SHOULD READ THIS POLICY

- Anyone wishing to establish a new subsidiary or affiliated corporation

WEBSITE ADDRESS FOR THIS POLICY

www.policy.cornell.edu/vol4_11.cfm
Policy 4.11
Establishing a New University-related Subsidiary or Affiliated Corporation

RELATED DOCUMENTS

University Documents
University Policy 4.10, Use of Cornell Name

CONTACTS

Direct any general questions about University Policy 4.11, Establishing a New Subsidiary or Affiliated Corporation, to your department's administrative office. If you have questions about specific issues, call the following offices:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Telephone/Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Clarification</td>
<td>Secretary of the Corporation</td>
<td>(607) 255-5124</td>
</tr>
<tr>
<td>Approval</td>
<td>Secretary of the Corporation</td>
<td>(607) 255-5124</td>
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</tbody>
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PROCEDURES

Instructions

The following procedures are mandatory:

1. University Counsel and the Vice President for Administration and Chief Financial Officer will examine the proposed corporate entity.

2. These executive offices will make recommendations to the Provost and the President as to whether compelling business and/or legal reasons support establishing a separate corporation. In addition, issues of financial compliance covering the not-for-profit sector must be addressed.

3. The Board of Trustees must grant final approval for the formation of a legally independent entity that uses the Cornell name and/or university resources.