PROCEDURE FOR AFFILIATED ORGANIZATIONS

Issued: February 22, 2022
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Procedure Introduction
A USC department or unit considering establishing an Affiliated Organization must consult with OGC and University Finance, Office of the Comptroller ("Comptroller") at the earliest stage of the planning process to ensure that all legal, financial, and policy requirements are fulfilled.

Responsibilities

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<th>POSITION or OFFICE</th>
<th>RESPONSIBILITIES</th>
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<tr>
<td>N/A</td>
<td>See Policy</td>
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Procedure Details

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<th>Action #</th>
<th>Responsible Stakeholder</th>
<th>Details</th>
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| 1.0      | USC department or unit seeking to establish an Affiliated Organization | Must develop a written proposal that includes:  
  - The goals and objectives of the Affiliated Organization.  
  - The organizational and fiduciary board structure, which should clearly articulate whether USC will be a corporate member of or hold an interest in the Affiliated Organization, what the USC representation will be on the Affiliated Organization’s fiduciary board (including identification of proposed USC representatives), and what reserve powers USC will have.  
  - A projected budget and business plan for at least five years.  
  - A thorough risk assessment that defines and classifies risks inherent to both the Affiliated Organization and USC, including all potential conflicts of interest. The assessment should include mitigation strategies and metrics designed to quantify risk throughout the life of the Affiliated Organization.  
  - Significant business terms for the memorandum of agreement and/or organizational documents governing the |
Affiliated Organizations Policy

Procedure for Affiliated Organizations

Affiliated Organization’s relationship with USC.
• Identification of a senior university oversight official.

2.0 The OGC, the Comptroller, and at least one of: the President; the Provost and Senior Vice President, Academic Affairs or the Senior Vice President, Health Affairs, as appropriate; or the Senior Vice President, Finance and Chief Financial Officer.

Review and approve the written proposal. USC must be a corporate member, have an equity interest, and/or have representatives on the fiduciary board of each Affiliated Organization.

3.0 Affiliated Organization

Once established, each Affiliated Organization must submit reporting information to USC on all significant governance, financials, and operations issues, including but not limited to, material business dealings, changes in governance structure, establishment of or material changes to a subsidiary, material litigation, and transactions with USC.

Contacts

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<tr>
<th>OFFICE</th>
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<tr>
<td>Office of the General Counsel</td>
<td>(213) 740-7922</td>
<td>ogc.usc.edu</td>
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