Joint Venture Policy

Policy Statement

The university is committed to taking the action necessary in its business arrangements with for-profit entities so that such arrangements are consistent with Section 501(c)(3) of the Internal Revenue Code and do not jeopardize the university’s tax exempt status. The university will guard against arrangements that might be inconsistent with or overwhelm the university’s mission or nonprofit purposes.

Reason for Policy

The purpose of this policy is to clarify when the university will enter into business arrangements with for-profit entities, and to make clear that any such relationships require review and approval by the executive vice president and treasurer and by the senior vice president and general counsel.

Who is Governed by this Policy

Faculty and staff

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Policy

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The procedures shall require that these transactions be entered into only after the evaluation of potential conflicts of interest and the confirmation that negotiated terms are equal to or better than what could be achieved on an arm’s length basis (taking into account mission-related benefits). The procedures shall also require a determination of whether the purpose of the arrangement is to further the university’s mission; engage in an unrelated trade or business (through a pass-through entity such as a partnership, joint venture or limited liability company); or generate investment income and shall require that appropriate provisions be adopted to protect the university based on the purpose of each transaction.

Arrangements covered by this policy must be submitted to the EVPT and SVPGC for review and approval.

Procedures
Joint Venture Policy Procedures

Contacts

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Document History

- **Last Reviewed Date:** April 26, 2017
- **Last Revised Date:** June 24, 2014
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Who Approved This Policy

The George Washington University Board of Trustees
Louis H. Katz, Executive Vice President and Treasurer
Beth Nolan, Senior Vice President and General Counsel

This policy, as well as all university policies, are located on the Office of Compliance and Privacy’s home page.