



**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

Responsible University Official: Senior Associate Vice President, Financial Operations

Responsible Office: Treasury Management

Last Revised Date: June 24, 2014

JOINT VENTURE

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

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. The executive vice president and treasurer (EVPT) and the senior vice president and general counsel (SVPGC) will review transactions with for-profit entities that are in the nature of joint ventures, investments, and similar arrangements in which the parties have, as one of the objectives, the sharing of risk and reward. The EVPT and SVPGC will apply appropriate procedures based on the type of joint venture being considered. For guidance consult the [Joint Venture Policy Procedures](#). Arrangements entered into for passive investment purposes, and contracts for the provision of goods or services made pursuant to the university’s normal procurement processes are not covered by this policy or related review procedures.

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

Contact	Telephone	Email
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Document History

- **Last Reviewed Date:** March 19, 2018
- **Last Revised Date:** June 24, 2014
- **Policy Origination Date:** June 24, 2014

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's](#) home page.