
3003 EXTERNAL ACTIVITIES

Effective: September 1990
Revised: May 2010
Last Reviewed: April 2018
Resp. Office: VP for Finance
Approval: President

PURPOSE

To ensure that external activities undertaken by University schools, departments and centers are consistent with the University's mission of instruction, research and public service and that such activities comply with the University's financial policies.

DEFINITION

"External activities" are any ventures in which the University, in conjunction with an external entity, commits resources and/or permits the use of its name. Excluded from this definition are (a) standard agreements for research sponsored by associations, corporations, foundations, or governmental entities; (b) routine vendor contracts for the purchase, lease or rental of goods or services; and (c) agreements for commercial development of University technology, including those which provide the acceptance by the University of equity in an external entity which has been negotiated and approved in accordance with the University's Patent Policy, and policies and procedures of the Center for Technology Transfer. The formation of a new legal entity, e.g., a partnership or corporation, and/or the delivery of services by the University at sites other than traditional campus locations, are always external activities within the context of this policy. External Activities of the University of Pennsylvania Health System ("UPHS") must be reviewed under the UPHS External Activities/Business Plan Policy and then submitted for approval at Step 5 of this policy.

POLICY

1. Acceptance of any external activity must be consistent with Policy No. 3001, Authority to Bind the University.
2. Prior to entering into any external activity, a statement which outlines the nature of the activity and how it relates to the program or mission of the school/center must be prepared and submitted to the dean/director of the school/center for review and authorization to proceed with the proposal.

3. Upon written approval at the school/center level, the dean/director will submit the proposal, together with a business plan and proposed financing arrangements to the University Executive Vice President and the Provost for consideration.
4. After consideration and endorsement by the University Executive Vice President and the Provost, the Offices of the Comptroller, (including the Corporate Tax Department), Risk Management, the Treasurer and the General Counsel will review the proposal. Use of the University of Pennsylvania name must be reviewed by the Office of the Secretary, in accordance with the policy established by that office. Depending on the type of activity, additional reviews by other offices may be required.
5. The University Executive Vice President, Health System Executive Vice President, and the Provost will bring proposals they endorse to the President, who must approve all external activities before they may be implemented. Trustee approval will be sought as appropriate.
6. Upon approval by the President, the University Executive Vice President will submit the activity to the Office of the General Counsel for review and determination of documentation requirements.
7. The dean/director is responsible for ensuring that the approved activity is conducted in accordance with the approved business plan and any agreements, contracts, etc. Any subsequent proposed change that affects the scope of the approved activity requires the approval of the President.
8. Prior to initiation of the activity, the Comptroller, in consultation with the Associate Vice President of Audit, Compliance and Privacy, will review the proposed system of internal controls and accounting procedures to ensure their adequacy.
9. The Office of the Provost is responsible for maintaining a central file of all external activities.
10. The school/center sponsoring the approved external activity is responsible for the activity's net fiscal operations, including (a) reviewing activities for tax compliance; (b) overseeing the preparation of required financial reports, and (c) reviewing and approving such reports, as required. In order to fulfill these responsibilities, the school/center may consult with the Comptroller's Office when necessary.