

## Policy on Joint Ventures

### GOVERNANCE AND LEGAL

**Effective Date:** May 1,  
2010

**Date Revised:** December  
19, 2013

**Supersedes:**

**Related Policies:**  
Policy on the Legal  
Review of Proposed  
Contracts

**Responsible  
Office/Department:**  
Board of Trustees

**Keywords:** joint venture,  
partnership, joint  
ownership, tax, tax  
exempt

### I. Purpose and Scope

The purpose of this policy is to describe the authorization and approval requirements for joint ventures (defined below). Any proposed joint venture must be considered in the context of the University's status as a tax-exempt institution. Each proposed joint venture must be structured in a manner, which safeguards the University's tax-exempt status.

### II. Definitions

The following term shall have the following meaning:

A **Joint Venture** is any joint ownership or contractual relationship in which the University potentially may be involved, and in which one or more of the parties are not exempt from taxation; and/or through which there is an agreement to jointly undertake a specific business investment, enterprise, ownership, and/or activity which may or may not be tax-exempt. However, a joint venture generally does not include arrangements intended primarily to result in the income or appreciation of property if substantially all of the income generated by the arrangement consists of investment income such as dividends, interest, annuities, royalties, rents, and/or capital gains.

### III. Policy

A. Any proposed joint venture must be evaluated by the:

1. Senior Vice President & Chief Financial Officer, Treasurer or authorized designee as approved by the Board of Trustees;
  2. Senior Vice President of the responsible University unit; and
  3. Office of the General Counsel.
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B. The proposed joint venture or similar arrangement must be approved in writing by the Chief Financial Officer, Treasurer, and/or authorized designee as approved by the Board of Trustees.

C. Any joint venture or similar arrangement of Northeastern University must be formalized in a joint venture agreement (contract). The proposed joint venture agreement must be reviewed for form by the Office of the General Counsel. Consistent with the University's Contract Review and Approval Policy and the Board of Trustees policy on matters that will properly come before the Board of Trustees, the creation of new corporate structures to be owned in whole or in part by the University require approval by the Board of Trustees.

**D. WRITTEN APPROVAL OF BOTH THE PROPOSED JOINT VENTURE AND THE PROPOSED JOINT VENTURE AGREEMENT MUST BE OBTAINED BEFORE THE UNIVERSITY CAN BEGIN PARTICIPATION IN ANY PROPOSED JOINT VENTURE.**

**IV. Additional Information**

None

**V. Contact Information**

Questions regarding this policy should be directed to the Office of the Chief Financial Officer at (617) 373-2240 and/or the Office of General Counsel (617) 373- 2157.