

3.2.2 The legal authority and operating control of the institution are clearly defined for the following areas within the institution's governance structure. **(Governing board control)**

3.2.2.1 the institution's mission;

3.2.2.2 the fiscal stability of the institution;

3.2.2.3 institutional policy, including policies concerning related and affiliated corporate entities and all auxiliary services; and

3.2.2.4 related foundations (athletic, research, etc.) and other corporate entities whose primary purpose is to support the institution and/or its programs.

Compliance Status: Compliance

[Article VIII, Section IV, Paragraph 1\(b\)](#) of the *Constitution of the State of Georgia* provides that the "government, control, and management of the University System of Georgia and all of the institutions in said system shall be vested in the Board of Regents of the University System of Georgia." Based upon that constitutional authority, the Board has, through the *Bylaws of the Board of Regents* and the *Board of Regents Policy Manual*, provided the governing board's direction and delegated authority for the administration of all aspects of the College's operation and for the College's agreements with its cooperating organization for fundraising, the College of Coastal Georgia Foundation.

3.2.2.1 The Institution's Mission

Part of governing an institution of higher education is establishing a mission statement. In keeping with its role as a state college in the USG, the College's [mission statement](#), approved by the Board of Regents in August 2009, is available on the College's website and in other institutional materials, including the College's annual *Catalog*.

3.2.2.2 The Fiscal Stability of the Institution

Pursuant to [Article VIII, Section IV, Paragraph 1\(b\)](#) of the Constitution of the State of Georgia, the "government, control, and management of the University System of Georgia and all of the institutions in said system shall be vested in the Board of Regents of the University System of Georgia." In light of this constitutional authority, [Article VIII, Section IV, Paragraph 1\(c\)](#) of the Constitution of the State of Georgia goes on to establish that

All appropriations made for the use of any or all institutions in the university system shall be paid to the board of regents in a lump sum, with the power and authority in said board to allocate and distribute the same among the institutions under its control in such way and manner and in such amounts as will further an efficient and economical administration of the university system.

Once appropriated, [Article VII](#) of the *Bylaws of the Board of Regents* establishes that the Board has exclusive authority for allocating funds to the institutions within the University System. Further, it is specified in this same Article that this allocation will occur at the Board's April meeting "or the next regular meeting following the approval of the Appropriations Act or as soon thereafter as may be practicable in each year." The Board of Regents also has primary authority for approving each institution's budget, as well as its own budget. These approvals are made at the June meeting each year or as soon thereafter as may be practicable. Additionally, Article VII of the *Bylaws of the Board* provides that it shall be the only medium through which formal request shall be made for appropriations from either the Governor or the General Assembly of the State of Georgia. These authorities are restated in [Section 7.1.1](#) of the *Board of Regents Policy Manual*.

Finally, [Section 7](#) of the *Board of Regents Policy Manual* and the *Board of Regents Business Procedures Manual*, cover an extensive array of financial management policies and procedures that University System institutions, including the College, are expected to follow so as to maintain sound financial health and stability.

3.2.2.3 Institutional Policy, Including Policies Concerning Related and Affiliated Corporate Entities and All Auxiliary Services

[Section 7.2.2](#) of the *Board of Regents Policy Manual* establishes the Board's fundamental expectation that auxiliary enterprises are a separate entity to be funded on a self-supporting basis by student fees and other non-state sources. Accordingly, auxiliary enterprises shall not receive any state appropriations to finance operations. Instead, all auxiliary enterprises are to be charged for its share of plant operations and maintenance expense as a direct expense, and/or charged on the basis of an allocation methodology, such as share of total institutional square footage. Further, University System institutions may choose also to charge administrative overhead to recoup general costs expended on behalf of each operation.

[Section 12.5.1](#) of the *Board of Regents Policy Manual* defines a "cooperative organization" as any organization that:

- Is organized or operated primarily:
 - For the purpose of soliciting gifts or assisting a USG institution in soliciting gifts from third persons in the name of the institution or any of the institutions programs; or,
 - For soliciting grants and contracts or accepting grants or entering into contracts for research or services to be performed by or in conjunction with a USG institution or using the institution's facilities; or,
- Bills or collects professional fees in the name of or on behalf of faculty members of a USG institution who provide professional services within the scope of their employment by the institution; or,
- Includes officials, faculty, staff, or employees of a USG institution as ex officio members of the organization's board of directors or other governing structure; or,

- Is formally designated as a cooperative organization by the Board or by the President of the relevant USG institution, and of those formally designated, certain cooperative organizations will be required to follow the Regents' Guiding Principles for Cooperative Organizations. The Board and the President will determine the cooperative organizations that must follow the Guiding Principles.

Additionally, [Section 12.5.2](#) of the *Board of Regents Policy Manual* outlines the requirements for any cooperative organization seeking to maintain a relationship with any University System institution. These requirements are expanded upon in [Section 17](#) of the *Board of Regents Business Procedures Manual*, which contains additional guidance with which each institution must comply in order to establish and maintain a relationship with an affiliated organization. Specifically, pursuant to [Section 17.2](#) of the *Board of Regents Business Procedures Manual*, the “relationship that a University System of Georgia institution has with its affiliated organization or organizations must be defined by a memorandum of agreement that describes each party’s roles and responsibilities.”

Finally, [Section 17.3](#) of the *Board of Regents Business Procedures Manual* requires that the financial statements of foundations and affiliated organizations that meet the criteria to be considered component units of an institution be included with the financial statements of the institution.

The College has a [Memorandum of Agreement](#) with its cooperative organization for fundraising, the College of Coastal Georgia Foundation. The Foundation was established on October 20, 1967. On January 28, 1997, the Foundation was [granted tax exempt status](#) under Section 501(c) (3) of the Internal Revenue Code. And, on June 27, 2008, a [Certificate of Amendment](#) was filed changing the name of the Foundation to reflect its current designation.

[Article II, Section 1](#) of the *Bylaws of the Foundation* outlines the purposes for which the Foundation was established. Further, [Article II, Section 2](#) of the *Bylaws of the Foundation*, which addresses the organization’s fiduciary responsibilities, notes that the “Foundation shall always act in concert with the Board of Regents of the USG Cooperative Organization Guiding Principles Memorandum of Understanding.”

3.2.2.4 Related Foundations and Other Corporate Entities whose Primary Purpose is to Support the Institution and/or its Programs

The College has one cooperative organization: the College of Coastal Georgia Foundation. This entity is individually incorporated and independent from both the College and the USG. Although legally independent, the organization is controlled by a comprehensive set of regulations documented in the *Board of Regents Policy Manual* that classifies separate corporate entities as “Cooperative Organizations” and provides guidelines regarding the relationships between USG Institutions and Cooperative Organizations – [Section 12.5](#).

Although such foundations are separately incorporated and legally independent from the Board, their existence requires that the best interests of the institution are served by them without undue interference or influence.

Supporting Documentation

[*Constitution of the State of Georgia, Article VIII, Section IV, Paragraph 1*](#)

[*College of Coastal Georgia Mission Statement*](#)

[*USG Bylaws of the Board of Regents, Article VII*](#)

[*USG Board of Regents Policy Manual, Section 7.1.1*](#)

[*USG Board of Regents Policy Manual, Section 7*](#)

[*USG Board of Regents Policy Manual, Section 7.2.2*](#)

[*USG Board of Regents Policy Manual, Section 12.5*](#)

[*USG Board of Regents Business Procedures Manual, Section 17*](#)

[*USG Board of Regents Business Procedures Manual, Section 17.2*](#)

[*USG Board of Regents Business Procedures Manual, Section 17.3*](#)

[*Memorandum of Agreement between the College and the College of Coastal Georgia Foundation*](#)

[*College of Coastal Georgia Foundation Internal Revenue Service Tax Exempt Status*](#)

[*College of Coastal Georgia Certificate of Amendment \(Name Change\)*](#)

[*College of Coastal Georgia Foundation Bylaws*](#)