

Joint Ventures and Partnerships Policy

In compliance with Internal Revenue Service guidelines for approval and management of any joint venture entered into by Keck Graduate Institute (“KGI”), the Board of Trustees adopts the following guidelines.

Activities Subject to this Policy

For the purposes of this policy, the term “Joint Venture” is defined as any arrangement, including contractual or more formal arrangements undertaken through a limited liability company, partnership, or other entity, through which KGI and another entity jointly undertake any activity or business venture, or otherwise agree to joint ownership of any asset. A Joint Venture may include both taxable and tax-exempt activities. Investment of assets by KGI in accordance with its investment policy is not subject to this policy, despite the fact that it may involve the ownership of assets with third parties.

Approval and Management of Joint Activities

Before making any decision to participate in a Joint Venture, KGI will ensure that the Joint Venture furthers KGI’s exempt purposes and will negotiate at arm’s length contractual and other terms of participation that safeguard KGI’s exemption from federal income tax. Such terms shall be in writing in the operating agreement or other constituent documents of the Joint Venture and shall include the following minimum requirements:

- With respect to any joint venture to which KGI contributes substantially all of its assets to the enterprise, KGI would maintain control over the Joint Venture through fifty-one percent (51%) or more of the voting rights;
- With respect to any joint venture to which KGI contributes substantially all of the assets of the enterprise, KGI would maintain control over the Joint Venture through fifty-one percent (51%) or more of the voting rights;
- With respect to any joint venture to which a portion of KGI’s resources is contributed, KGI would, at a minimum, maintain sole control over the tax-exempt aspects of the Joint Venture and would have voting and ownership interests in the Joint Venture that are consistent with KGI’s capital contributions;
- Any subsequent contract with KGI’s partner in the Joint Venture would be negotiated at arm’s length and for fair market value;
- the Joint Venture would give priority to KGI’s tax-exempt purposes over maximization of profit for the participants of the Joint Venture; and
- a prohibition on activities that would jeopardize KGI’s tax-exempt status.



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Where there is any question as to whether a particular Joint Venture may pose a risk to KGI's tax-exempt status, a decision to enter into such Joint Venture will be made only in consultation with legal and/or tax counsel.

Approved – By Board of Trustees

Effective Date – May 28, 2015

Reviewed – 04/18/2025

Responsible Officer – Vice President of Finance & Administration