Date: December 13, 1973
From: Office of the Chancellor
Subject: Guidelines for Membership in Interinstitutional Consortia

I'm pleased to forward to you the second set of guidelines to be issued under Board of Trustees' authorization for participating in interinstitutional arrangements.

Under these guidelines, approved by the Director of the Budget, State-operated campuses and the community colleges may now seek authorization to participate in consortia with other educational institutions in the State.

I'm asking Murray Block, as Deputy for Campus Liaison, and whose office is responsible for regional activities, to coordinate this activity. Therefore, your requests for authorization and any questions you may have about this new procedure should be directed to him.

Thanks very much.

Attachment

This memorandum addressed to:
Presidents, State-operated Campuses
Presidents, Community Colleges

Information copies sent to:
Deans, Statutory Colleges
President Miles
Vice Provost Risley
Dean McGrath
Chancellor Kibbee
GUIDELINES FOR MEMBERSHIP
IN
INTERINSTITUTIONAL CONSORTIA

Guideline Number 2
December 1973
I. Scope (State-operated Institutions and Community Colleges)

This second set of guidelines, issued pursuant to Trustees' Resolution 73-58 (8 NYCRR §§310.1 and 603.6) under the provisions of Education Law §§355(1)(g) and 6306(8), shall govern the membership and participation in and the payment of obligations to interinstitutional consortia.

For the purposes of these guidelines, an interinstitutional consortium is defined as a corporate voluntary association of educational institutions formed to encourage and promote cooperative programs among its members.* The governing boards of these corporations are composed of representatives of the State-operated institutions of the State University, community colleges and other public and private educational institutions as may be provided for in the corporate charter. Voting rights are exercised by such representatives as delegates of the participating member institutions. Duly authorized financial obligations to support consortia programs are met by the member institutions by the payment of dues or through the proportionate sharing of costs in the form of funds, facilities and resources.

*Authorization for membership and participation is limited to education corporations formed by the Board of Regents and not-for-profit corporations having educational purposes for which the Commissioner of Education has consented to such incorporation (Education Law §216).
II. Procedure for Authorization

A. State-operated Institutions -- The chief administrative officer of the institution should submit a request to the Chancellor for authorization to participate in a proposed or existing consortium, together with a copy of the consortium charter and bylaws for review and approval of the terms and conditions of participation. University Counsel will thereupon review the charter and bylaws and make recommendations for changes in these instruments consistent with all laws and regulations governing State University and Section III of these guidelines. Following the satisfactory completion of such review, the Chancellor will delegate to the chief administrative officer of the institution, or his designees, the authority to participate in the consortium and on the governing body of the corporation in behalf of the University and the institution.

B. Community Colleges -- The President of the community college should submit a request to the Board of Trustees of the college for authorization to participate in a proposed or existing consortium, together with a copy of the consortium charter and bylaws, for review and approval of the terms and conditions of participation. Counsel for the college, in consultation with University Counsel, will thereupon review the charter and bylaws and make recommendations for changes in
these instruments consistent with all laws and regulations governing the community colleges and Section III of these guidelines. Following the satisfactory completion of such review, the Board of Trustees of the community college, subject to the approval of the local sponsor, will delegate to the President, or his designees, the authority to participate in the consortium and on the governing body of the corporation in behalf of the college.
III. Charters and Bylaws (State-operated Institutions and Community Colleges)

Consortia charters or certificates of incorporation shall be reviewed to assure that:

--the corporate purposes of the consortium are consistent with the mission of the institution seeking membership and all laws and regulations affecting University and community college operations.

--The charter states: "The membership of any unit of the State University of New York or any community college operating under the program of the State University shall be subject to the provisions of Articles 8 and 126 of the Education Law and such rules or regulations as may be promulgated or authorized thereunder by the State University Board of Trustees. Such regulations, among other things, may prescribe: maximum limitations upon the fiscal liability and other responsibilities of such members to the corporation, periodic post-audit by the State Comptroller, and the submission of an annual operating report to the Chancellor of State University."

--The charter provides that membership is on an equal basis for each participating member with equal voting status per institution on the governing body of the corporation.

Consistent with this charter review, corporate bylaws shall contain provisions which will:

--provide for a corporate board with equal representation from each participating member, all voting delegates to such board to be duly authorized representatives of member institutions (usually the President or designees responsible to such officer).

--provide for a formal budget cycle and the adoption of a corporate budget with provisions available for member institutions to participate or not participate in a corporate project.
--limit the membership liabilities of State University or a community college, in the form of funds (dues, assessments), facilities and resources, to funds appropriated or otherwise lawfully available during the fiscal year in which the commitments are made, in accordance with the budgetary procedures adopted in these guidelines (§IV).

--provide for voluntary termination of membership by member institutions.

--allow the State Comptroller to post-audit the financial standing and operations of the corporation in addition to a requirement for an annual audit by a certified public accountant.

--provide for the submission of an annual operating report of the corporation, consistent with the definitions provided in "College and University Business" (Revised Edition) and the Uniform System of Accounts for Community Colleges as prescribed by the State Comptroller, to the Chancellor of the State University and in the case of a community college, a further copy to the Board of Trustees of the community college; and

--require the express approval of the representatives of the State University and community colleges on any amendment of the charter or bylaws affecting membership liabilities.

In the review of each corporate charter and bylaws, University Counsel, or counsel for a community college in consultation with University Counsel, may recommend further provisions in charters and bylaws as may be necessary in the best interests of the State University and the community colleges.
IV. Procedure for Budget Approval; Limitations on Commitments (State-operated Institutions and Community Colleges)

Since funds for the State University and the community colleges are appropriated annually, subject to such limitations and purposes as may be defined by the appropriate legislative and executive bodies, it is important that commitments to a consortium be conditioned upon such appropriation approval in accordance with these guidelines.

A. The fulfillment of such commitments, in the form of funds, facilities and resources, cannot exceed funds appropriated or otherwise lawfully available to the State University or community college member during the fiscal year in which the commitments are made. The Director of the Budget must certify the availability of such funds on behalf of a State-operated campus.

B. In the annual budget process, necessary justification shall be provided to support a proposed fiscal commitment to a consortium. Supporting data for the budget request should be prepared by the campus member institution and submitted to the appropriate budget officers, in order to identify:

--the activities, projects and obligations which the consortium proposes to undertake and a listing of participating member institutions. It should be noted that authorization will not be available for activities previously disapproved for direct University or community college purposes by executive or legislative
action, nor will funds be available for the payment of capital expenditures or the amortization of capital expenditures;

--the benefits accruing to the State University unit or community college from participation in such activities, projects and obligations;

--the rationale upon which the payment of obligations (dues, assessments, facilities, resources) is determined, with an identified total annual cost projection;

--the overhead or other indirect costs which will be incurred by the State University institution or community college as a result of its membership in the consortium (e.g., such costs might include tuition waivers, loan of faculty or secretarial or clerical expenses); and

--the controls which the State University unit or the community college will exercise over the payment of such obligations.

C. Following the appropriation of funds approved for such purposes, each State University institution or community college shall establish administratively an appropriate separate account specifically identifying consortia expenditures. For the purposes of budget approval for State financial aid, each community college should so indicate such proposed expenditures for approved consortia activities in a separate budget line.

D. For fiscal year 1974-75, each State University institution or community college authorized or planning to request authorization to join a consortium shall submit the supporting budgetary information described in paragraph B above prior to January 1, 1974.
MEMORANDUM

December 13, 1973

To: Presidents, State University of New York
From: Murray H. Block
Subject: Consortia Memberships

You have received a copy of the Guidelines for Membership in Interinstitutional Consortia, Guideline Number 2, December 1973. This office has been given the responsibility for coordinating the authorizations and reports required under those guidelines.

You will note Section IV, paragraph D, requires certain action by interested campuses prior to January 1, 1974. To facilitate the completion of this requirement by the date due, I am attaching an extract of the pertinent section of the guidelines.

We must complete these requirements to insure that the availability of funds will be certified by the Director of the Budget at the appropriate times for the State-operated campuses and that the funds may be lawfully expended by the community colleges.

If you have any questions concerning the procedures, Bob Spencer will assist you in obtaining the required answers.

Attachment

cc: Chancellor Boyer

Copies for information only sent to:
  Deans, Statutory Colleges
  Dean McGrath
  Chancellor Kibbee
  Vice Provost Risley
  President Leland Miles
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