



Joint Venture Policy of Randolph Community College Foundation Inc.

The purpose of this Joint Venture Policy (the "Policy") shall be to document the Foundation's position and procedures in regards to entering joint ventures with taxable entities. For purposes of this Policy, a "joint venture" includes, but is not limited to, any joint ownership or contractual arrangement with a taxable entity, such as:

- Forming, investing in or contributing assets to, or becoming an owner or member of, a partnership, limited liability company, limited partnership, limited liability partnership, or similar legal entity; or
- Executing a contract to jointly undertake a specific business enterprise, investment or activity, particularly if the contract involves the sharing of revenue between the parties.

Participation in entities or ventures that meet both of the following conditions shall not be treated as "joint ventures" for purposes of this Policy:

- 95% or more of the income is derived from passive income sources as described in Section 512(b)(1)-(5) of the Internal Revenue Code of 1986, as amended ("Code"), (e.g., dividends, interest, royalties, rents, and gains or losses from the sale of investments or inventory), including unrelated debt-financed income; and
- The Foundation's primary purpose for contribution to, or investment or participation in, the entity or venture is the production of income or appreciation of property.

The Foundation hereby adopts the following principles in relation to its participation in joint ventures:

- The Foundation shall not enter into any joint venture arrangement without the express written approval of its Board of Directors;
- The Foundation's assets must, at all times, be devoted to charitable purposes within the meaning of Code Section 501(c)(3), and the Foundation may not enter any joint venture that threatens or jeopardizes the Foundation's charitable purposes or assets;
- If the Foundation enters a joint venture with an unrelated organization, then the relationship must be negotiated at arms' length and must reflect terms that are equal to (or more favorable to the Foundation than) fair market value;
- Prior to entering any joint venture, the Foundation shall consider (a) whether the joint venture will generate unrelated business income for the Foundation, within the meaning of Code Section 512(a)(1), and (b) whether the joint venture will result in private use for purposes of the Foundation's outstanding bonds, within the meaning of Code Section 141(b);
- Prior to entering any joint venture, the Foundation shall ensure that the documentation includes the following terms:

- The Foundation shall retain sufficient control over the joint venture to ensure that it furthers the tax-exempt purpose of the Foundation,
 - The joint venture must assure that the Foundation's tax-exempt purposes override the profit motives of the other participants, and
 - The joint venture shall not engage in activities that would jeopardize the Foundation's tax-exempt status (e.g., political intervention, substantial lobbying, etc.); and
- The Foundation's Board of Directors may waive any requirement of this Policy upon advice from its legal counsel that the waiver will not threaten or jeopardize the Foundation's charitable purposes or assets.

The RCC Foundation did not participate in any joint ventures at the time of policy adoption.