

**RS 17:3390**

§3390. Private nonprofit corporations which support public higher education institutions; findings; status; private funds

A. The legislature finds that private support enhances the programs, facilities, and research and educational opportunities offered by public institutions of higher education in Louisiana. Therefore, each higher education management board and institution is hereby encouraged to promote the activities of alumni associations, foundations, and other private, nonprofit organizations that raise private funds for the support of public institutions of higher education. Further, it is recognized that private, nonprofit organizations under the direction and control of private individuals who support institutions of higher education are effective in obtaining private support for those institutions.

B. A nonprofit corporation, whose principal purpose is to support one or more programs, facilities, or research or educational opportunities offered by public institutions of higher education, including but not limited to any nonprofit corporation whose primary purpose is to finance the design, construction, renovation, or equipping of facilities to be leased to such public institutions of higher learning, shall be a private entity that shall not be deemed to be a public or quasi public corporation or an administrative unit, public servant, employee, or agent of any institution of higher education for any purpose whatsoever if it meets all of the following criteria:

(1) The majority of the voting members of the corporation's board of directors are not members or employees of a higher education management board.

(2) The corporation is under the management and control of a board of directors elected by the members or shareholders of the corporation.

(3) The corporation reimburses, either directly or through in-kind services, the cost of housing, personnel, which personnel shall remain public servants for all purposes, and other support furnished to the corporation by any institution of higher education, if any such support is furnished.

C. The receipt, investment, or expenditure of public funds shall not affect the private status of any corporation meeting the criteria set forth in Subsection B of this Section; however, books and records of any such corporation, to the extent that such books and records directly pertain to the receipt, investment, or expenditure of public funds, shall be subject to R.S. 44:1 et seq. No other books and records of any such corporation shall be subject to R.S. 44:1 et seq.

D.(1) Alumni associations, alumni foundations, and other private, nonprofit alumni organizations that raise private funds for the support of public institutions of higher education, and nonprofit corporations whose primary purpose is to finance the design, construction, renovation, or equipping of facilities to be leased to such public institutions of higher education, shall have a financial accounting system established pursuant to customary and current accepted accounting standards. Except as provided in Paragraph (3) of this Subsection, the financial affairs of the organizations shall be audited annually in accordance with generally accepted auditing standards by an independent professional auditor who shall furnish to the legislative auditor copies of his annual audit.

(2) With regard to an audit received by the legislative auditor from any nonprofit corporation, the primary purpose of which is to design, construct, renovate, or equip a facility to be leased to a public institution of higher learning which is under the management of the Board of Supervisors of Community and Technical Colleges, the legislative auditor may recommend to the Legislative Audit Advisory Council that an audit be conducted by the legislative auditor pursuant to and in the manner provided in R.S. 24:513. Upon such recommendation, the Legislative Audit Advisory Council may direct that such an audit be conducted.

(3)(a) Any alumni association, alumni foundation, or other private, nonprofit alumni organization that raises private funds for the support of a public institution of higher education which receives seventy-five thousand dollars or less in funds in a fiscal year shall not be required to have an audit. However, the organization shall execute a certification indicating that it received seventy-five thousand dollars or less in funds in the fiscal year and shall prepare a sworn financial statement.

(b) The sworn financial statement required by this Paragraph shall be prepared in accordance with generally accepted accounting principles and include the disclosures required by state and federal regulations.

The sworn financial statement shall include a recital that it presents fairly, in all material respects, the financial condition and results of operations of the organization; that the organization has maintained a system

of internal control structure sufficient to safeguard assets and comply with laws and regulations; and that the organization has complied with all laws and regulations or shall acknowledge exceptions thereto.

(c) Copies of the certification and sworn financial statement shall be furnished to the legislative auditor.

E.(1) Any institution of higher education may permit a private, nonprofit corporation to purchase tickets to any event sponsored by the institution not to exceed twelve percent of the tickets available for the event.

(2) In addition to any tickets purchased pursuant to the authorization in Paragraph (1) of this Subsection and only with the prior approval of the appropriate higher education management board, any institution of higher education may permit a private, nonprofit corporation to purchase tickets to any athletic event sponsored by the institution when the event is held in a facility owned by the institution and the tickets provide access to seats or seating areas located in an addition to the facility which is constructed by the corporation.

(3) If the corporation pays the full price of admission for which such tickets are sold to other members of the public, then any funds received by the corporation from the resale of the tickets shall not be public funds for any purpose.

F. Notwithstanding any other provision of this Section or of other law to the contrary, any request for payments of over one thousand dollars for any single transaction to, or on behalf of, or to reimburse the expense of a public employee of a public higher education institution or a public employee or officer of a management board of a public higher education institution by a nonprofit organization shall be approved in writing by the appropriate public higher education management board in accordance with written policies and procedures. All requests, approvals, and documents provided to a higher education institution or management board in connection with such requests or approvals, shall be retained by the public higher education institution or public higher education management board and shall be subject to inspection, examination, copying, and reproduction in accordance with the provisions of R.S. 44:1 et seq.

Acts 1992, No. 1055, §1; Acts 1998, 1st Ex. Sess., No. 125, §1, eff. May 5, 1998; Acts 2004, No. 533, §1, eff. June 25, 2004; Acts 2004, No. 710, §1; Acts 2008, No. 505, §1, eff. June 25, 2008.