



OAKWOOD UNIVERSITY

Integrated Marketing & Public Relations

OAKWOOD UNIVERSITY STATEMENT

MARCH 29, 2018

Due to a number of requests and inquiries from OAKWOOD UNIVERSITY alumni for the University to make a statement to current and prospective donors regarding the issue below, the leadership of the University Board of Trustees feels compelled to clarify the facts for our publics.

On May 15, 2017 the Internal Revenue Service revoked the 501(c)(3) tax exempt status of the Oakwood College National Alumni Association d/b/a Oakwood University Alumni Association (OUAA) . This fact was brought to the attention of the University through a third party on Feb 23, 2018.

- OUAA’s stated purpose is to raise funds to support OAKWOOD UNIVERSITY’s mission. This makes the Association an “institution-related organization” under the governing accreditation standards.
- The SACSCOC Accreditation Standards seek to ensure the institution’s academic and financial integrity. To achieve this goal, the 2018 Accreditation Standards require that the institution control fundraising activities conducted by “Institution-related organizations”. (Section 5.3 of the 2018 Accreditation Standards).
- As an accredited institution of higher learning, OAKWOOD UNIVERSITY complies with the accreditation standards issued by the SACSCOC (i.e., Southern Association of Colleges and Schools – Commission on Colleges), including standards regulating fundraising by groups declaring themselves organized for the purpose of supporting the University.
- Compliance with these regional accreditation standards is of vital importance to OAKWOOD UNIVERSITY. In the event of a failure to retain accreditation, OAKWOOD UNIVERSITY’s continuation as an accredited institution of higher learning is jeopardized- access to federal funding is denied and access to HBCU/UNCF funding would be forfeited.
- On February 23, 2018, the Board of Trustees learned that OUAA’s 501(c)(3) tax exempt status had been revoked, a fact that was confirmed on the IRS website. (See attached information from the IRS site). The Board’s understanding is that the OUAA is actively seeking reinstatement of its exempt status. However, the revocation remains in place at the current time.

- The loss of OUAA's non-profit tax-exempt status has a significant effect on its fundraising activities. Because OUAA is an institution-related organization under the SACSCOC Accreditation Standards 5.3, OAKWOOD UNIVERSITY has an obligation to control the OUAA's fundraising in the name of OAKWOOD UNIVERSITY.
- The Board met several times over recent weeks about these matters. It requested information and action from the OUAA concerning its tax-exempt status and financial operations.
- With the issues unresolved and Alumni Weekend approaching rapidly, the Board decided to seek an interim understanding between OAKWOOD UNIVERSITY and the OUAA to handle issues through Alumni Weekend and then make any final decisions concerning the future of the parties' relationship after Alumni Weekend. The efforts by the Board and Administration to come to an interim understanding have failed.
- After OUAA engaged an attorney to represent its interests, the Board asked OAKWOOD UNIVERSITY's attorney to confer with him in an attempt to resolve issues relating to fundraising during Alumni Weekend. These efforts were not successful, either.
- With regard to fundraising by the OUAA during Alumni Weekend, the University's request was reasonable and straight-forward: It asked that any funds raised or received by the OUAA before and during Alumni Weekend be given/made payable to OAKWOOD UNIVERSITY. The University agreed that it would disburse any such funds to programs or purposes as reasonably requested by the OUAA. With this simple arrangement, OAKWOOD UNIVERSITY's interim concerns about the propriety of the fundraising efforts by a party whose tax-exempt status has been revoked would be addressed. However, OUAA rejected this proposal, insisting instead on using a third-party organization to receive and hold the funds until its status is reinstated. OAKWOOD UNIVERSITY could not agree to this arrangement in light of its obligations under the Accreditation Standards and its duty to donors.
- OUAA's decisions to ignore the Board of Trustees' counsel has placed the University in a difficult position. OUAA through its website continues to solicit funds without regard to the institution's wishes/instructions and during a time in which their tax-exempt status has been revoked. The University had hoped to avoid commenting on this situation until after Alumni Weekend, but has decided that the current circumstances warrant this statement and other appropriate actions.
- OAKWOOD UNIVERSITY has determined that, for as long as OUAA's tax-exempt status remains revoked, it cannot have OAKWOOD UNIVERSITY's permission to raise funds in the University's name, and OAKWOOD UNIVERSITY cannot accept funds raised by OUAA after February 12, 2018, including funds raised during Alumni Weekend, unless such fundraising conforms to the receipting request made by the University.
- In addition, OAKWOOD UNIVERSITY informed the OUAA that the Board will meet to further discuss the current situation. Members of the Board with conflicts of interest will be recused from these deliberations.
- In the meantime, OAKWOOD UNIVERSITY encourages its Alumni and any other potential donors to the OUAA to consider all information before making any donation to

the OUAA. If any donor has a question about the tax deductibility of any donation to the OUAA, he/she should consult with a tax professional.

- To all of our Oakwood Alumni, please be assured that the University's tax-exempt status is unaffected by the current situation. OAKWOOD UNIVERSITY appreciates your years of support. If you wish to make a tax-deductible donation directly to OAKWOOD UNIVERSITY, please visit the website at OUGiving.com. Your years of love and support for OAKWOOD UNIVERSITY are deeply appreciated.

*We have attached Section 5 of the SACSCOC Standards for anyone interested in reading them.

Exempt Organizations Select Check

[Exempt Organizations Select Check Home](#)

Automatic Revocation of Exemption Information

The federal tax exemption of this organization was automatically revoked for its failure to file a Form 990-series return or notice for three consecutive years. The inform listed below for each organization is *historical*; it is current as of the organization's effective date of automatic revocation. The information is not necessarily current as date. Nor does this automatic revocation necessarily reflect the organization's tax-exempt or non-exempt status. The organization may have applied to the IRS for rec exemption and been recognized by the IRS as tax-exempt *after* its effective date of automatic revocation. To check whether an organization is currently recognized by tax-exempt, call Customer Account Services at (877) 829-5500 (toll-free number).

Revocation Date (effective date on which organization's tax exemption was automatically revoked):
15-May-2017

Employer Identification Number (EIN):
63-0981208

Legal Name:
OAKWOOD COLLEGE NATIONAL ALUMNI ASSOCIATION

Doing Business As:

Mailing Address:
7000 ADVENTIST BLVD NW
HUNTSVILLE, AL 35896-0001
United States

Exemption Type:
501(c)(3)

Revocation Posting Date (date on which IRS posted notice of automatic revocation on IRS.gov):
12-Feb-2018

Exemption Reinstatement Date (effective date of tax exemption, determined by the IRS after the organization's exemption was automatically revoked and the organization applied for reinstatement of exemption.):

SECTION 5: Administration and Organization

The institution's chief executive officer has ultimate responsibility for priorities and initiatives that advance its board-approved mission, goals, and priorities. The chief executive officer oversees an organizational structure that includes key academic and administrative officers and decision makers with credentials appropriate to their respective responsibilities.

1. **The institution has a chief executive officer whose primary responsibility is to the institution.** (*Chief executive officer*) [CR]
2. The chief executive officer has ultimate responsibility for, and exercises appropriate control over, the following:
 - a. The institution's educational, administrative, and fiscal programs and services. (*CEO control*)
 - b. The institution's intercollegiate athletics program. (*Control of intercollegiate athletics*)
 - c. The institution's fund-raising activities. (*Control of fund-raising activities*)
3. For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs:
 - (a) The legal authority and operating control of the institution is clearly defined with respect to that entity.
 - (b) The relationship of that entity to the institution and the extent of any liability arising from that relationship are clearly described in a formal, written manner.
 - (c) The institution demonstrates that (1) the chief executive officer controls any fund-raising activities of that entity or (2) the fund-raising activities of that entity are defined in a formal, written manner that assures those activities further the mission of the institution.
(*Institution-related entities*)

4. The institution employs and regularly evaluates administrative and academic officers with appropriate experience and qualifications to lead the institution. (*Qualified administrative/academic officers*)
5. The institution publishes and implements policies regarding the appointment, employment, and regular evaluation of non-faculty personnel. (*Personnel appointment and evaluation*)



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pr@oakwood.edu

Oakwood University

Office: 256-726-7202 / Fax: 256-726-8337

7000 Adventist Blvd. NW Huntsville, AL 35896 USA

www.oakwood.edu