

MEMORANDUM OF UNDERSTANDING

Between the Board of Trustees of Carl Sandburg College District #518 and the Carl Sandburg College Foundation

THIS MEMORANDUM OF UNDERSTANDING, hereinafter known as the ("Agreement"), is entered into this 27th day of June 2024, between the Board of Trustees of Carl Sandburg College District 518, a body politic and corporate, (hereinafter called the "College") and the Carl Sandburg College Foundation, an Illinois not-for-profit corporation, (hereinafter called the "Foundation").

Recitals

WHEREAS, the College is a public community college district and unit of local government established pursuant to the laws of the state of Illinois for the purpose of providing, among other things, low-cost, quality educational opportunities and services to its residents of community college district #518; and

WHEREAS, the Foundation was organized and separately incorporated in 1969 as an Illinois not-for-profit corporation organized exclusively for educational purposes to assist in developing and augmenting the College's facilities and carrying out the educational functions of Illinois Community College District 518; and

WHEREAS, the Foundation is dedicated to assisting the College in building endowments and in addressing, long-term academic and other priorities of the College through financial support.

WHEREAS, the College desires the Foundation to continue its assistance to the College, including its identification and stewardship of donor funds and assistance in fundraising efforts directed toward expanding and enhancing the educational goals and capabilities of the College.

WHEREAS, the College believes that so long as the Foundation continues to adequately perform funds' management and fundraising assistance to the College, the College's best interests are served by continuing to support the Foundation's operations by providing personnel, certain facilities and administrative services.

WHEREAS the Parties now wish to enter into this Agreement to provide for the shared responsibilities of the Parties, and to specify their relative rights and obligations.



NOW THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the College and Foundation agree as follows:

SECTION 1: FOUNDATION RESPONSIBILITIES AND RELATIONSHIP TO THE COLLEGE

1. The Foundation is responsible for the performance and oversight of its operations consistent with the bylaws of the Carl Sandburg Foundation and will apprise the College president of changes made to the bylaws.
2. The Foundation is responsible for planning and executing comprehensive fundraising and donor-acquisition programs in support of the strategic priorities identified by the College's president and the College Board of Trustees. These programs include annual giving, major gifts, planned gifts, special projects and campaigns as appropriate.
3. The Foundation will work with the College to create an environment conducive to increasing levels of support for the mission and priorities of The College.
4. The Foundation will promote the College's best interest, when requested, within the region, state and nation. Further, the Foundation shall continue, when asked, to advise and counsel the various components of the College.
5. The Foundation will adhere to a gift acceptance policy developed collaboratively with the College's administrators and jointly approved by the College's Board of Trustees and the Foundation's Board of Directors.
6. The Foundation will document donor intent, maintain records of such and ensure the College's personnel responsible for the administration or expenditure of gift funds are informed of donor restrictions.
7. The Foundation will provide appropriate stewardship, recognition and acknowledgment to donors through timely correspondence, recognition and special events.
8. The Foundation may accept grants from state or federal agencies, but only after written preapproval from the College's Board of Trustees.
9. To the fullest extent permitted by law, the Foundation shall establish and enforce policies to protect donor confidentiality and rights, and ensure compliance with donor intent.
10. The Foundation will receive, hold, manage, invest and disburse gifts of cash, securities, patents, copyrights and other forms of property including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred gift instruments, and disposition or allocation of real estate or other forms of tangible property, according to Foundation policy.



11. The Foundation will maintain and manage all assets of the Foundation, including establishing fund agreements with donors to the endowment, and setting and implementing investment and distribution policies and procedures that will prudently steward the principal of the endowment and honor donor intent, as prescribed by the Uniform Prudent Investor Act, the Uniform Prudent Management of Institutional Funds Act and other applicable Illinois law.
12. The Foundation will respond in a timely manner to all requests for data and records made by the College in accordance with applicable laws, Foundation policies and guidelines. To the extent of any conflict between applicable law, the Foundation's policies or guidelines and the provisions of this Agreement, applicable law shall control.
13. The Foundation will provide the College with a separate annual audit of the financial records of the Foundation conducted by an independent public accounting firm approved by the Board of the Foundation.
14. The Foundation will make provisions for underwriting the Foundation's annual operating budget through assessing of fees on managing endowments, retaining of short-term interest income on deposited current-use funds or any payout accounts, and through gift tax associated with procurement of some donations and funds raised through special events.
15. The Foundation will abide by ethical and legal practices in accordance with the Foundation's not-for-profit status.
16. The Foundation will, in collaboration with the College where appropriate, establish internal controls, security and data-protection procedures, and other enterprise risk management practices commensurate with the Board of the Foundation's fiduciary responsibility and in accordance with applicable law.

SECTION 2: COLLEGE RESPONSIBILITIES AND RELATIONSHIP TO THE FOUNDATION

1. The Board of Trustees of the College is responsible for overseeing the mission, leadership and operations of the College.
2. The Board of Trustees is responsible for determining the strategic priorities of the College, communicating those to the Foundation and collaborating with the Foundation to determine philanthropic priorities.
3. The College Board of Trustees shall include the Foundation as an active and prominent participant in the strategic planning process for the College.

4. The Foundation, in collaboration with the College, will develop a budget for Foundation programs, operations and services. It is understood that Foundation personnel, regardless of funding source, are College employees whose salaries and benefits are governed by the College's Board policies, administrative procedures and human resources practices.
5. In consideration of the Foundation's services, the College will provide in-kind support to the Foundation's Board members, officers and personnel, including office space, information technology resources, and support from the College's marketing and communications, financial aid and finance staff.
6. The College will provide access to College staff or a designated staff to act as Foundation Treasurer who will provide the necessary accounting services for Foundation funds and scholarship awards, and for any expenses paid from Foundation resources subject to prior approval of the Foundation Chief Advancement Officer.
7. The President of the College will provide direct supervision, guidance and support to the Chief Advancement Officer. The College president will recommend to the College's Board of Trustees, after consultation with the Foundation's Board of Directors, a person to serve as chief advancement officer of the Foundation. The College may obtain input from the Foundation Board of Directors as part of the annual personnel evaluation of the chief advancement officer. The chief advancement officer will be a member of the president's cabinet.
8. The College will support the operations of the Foundation by assigning, at the College's discretion, College personnel to assist the Foundation. The College will consider the recommendations of the chief advancement officer regarding staffing requirements of the Foundation.
9. The president and other senior administrators of the College will work in conjunction with the leadership of the Foundation Board of Directors and the chief advancement officer to identify, cultivate and solicit prospects for private gifts, and to support other fundraising activities.
10. The College authorizes the Foundation to use the college name, logo and marketing brand.

SECTION 3: COLLABORATION AND JOINT RESPONSIBILITIES

1. The Foundation Board of Directors, chief advancement officer and administrators of the College will collaborate on the identification and cultivation of major gift prospects. While the chief advancement officer will be responsible for oversight of solicitation strategies, the College president and other College administrators will play an active role in the development of gift proposals and solicitations.
2. The Foundation will collaborate with the College administrators in the development of the Foundation budget, plans for the funding of campaigns, and in decisions regarding the implementation of gift fees and other funding sources.
3. The Foundation will develop benchmarking reports on fundraising activity to be shared with the College President and Board of Trustees.
4. The Foundation shall provide the College's business office with any and all financial reports as provided to the Foundation's Board of Directors and the Board's finance committee. The Foundation chief advancement officer will meet as needed, but at least quarterly with the College president and his/her designees to discuss matters related to interactive financial arrangements and the ongoing efficiencies of procedures in place for the timely transfer of gift revenues to the College. The Foundation chief advancement officer also shall be available upon reasonable request to meet with the financial affairs staff to report on the condition of the Foundation and the scope and array of Foundation financial activities.
5. On an annual basis, the Foundation will provide the College with:
 - a. An annual report on its activities;
 - b. A copy of current policies on investment and payout (if altered from the prior year); and
 - c. A statement confirming all gifts made to the Foundation during the prior year were appropriately acknowledged.

In addition, interim reports will be available to College personnel designated by the president, and the Foundation shall provide such other schedules, records and data as may be reasonably requested by the College.

6. Net income generated by the Foundation shall be used solely to benefit the College.
7. The Foundation will transfer funds to the College in compliance with donor intent, applicable laws, and College and Foundation policies.
8. The Foundation's disbursements to third parties on behalf of the College must be reasonable business expenses that fulfill charitable purposes, support the College, are consistent with donor intent and do not conflict with applicable law or regulation.

9. All requests for The Foundation's funds, other than regular disbursements and expense reimbursements to vendors, must be submitted to the Foundation by the president of the College.
10. To ensure effective achievement of the items of this Agreement, the College and Foundation officers and board representatives may hold periodic meetings to foster and maintain productive relationships, and to ensure open and continuing communications and alignment of priorities.
11. This Agreement will be reviewed by the College and the Foundation from time to time as reasonably determined by the Foundation and the College district.

SECTION 4: GENERAL PROVISIONS

1. This Memorandum of Understanding is intended to set forth procedures that will contribute to the coordination of the mutual activities of the College and the Foundation and shall continue from the Effective Date on a year-to-year basis unless either party gives the other party written notice at least ninety (90) days prior to the intended date of termination. In the event this Agreement is terminated by either party, the Foundation shall provide for the orderly transition of responsibility to the College. If the Foundation ceases to be a not-for-profit corporation or 501(c)(3) organization, this Agreement shall immediately terminate, and the Foundation shall immediately transfer its assets to the College.
2. This Agreement may not be assigned without prior written consent of the parties.
3. Specific projects or activities not already covered by this Agreement may be agreed upon between the parties in writing, signed by each party and such fully executed writing shall constitute an addendum to this Agreement.
4. This Agreement may be amended only upon the written agreement of the College and the Foundation.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the day and year first written above.



Board of Trustees of Carl Sandburg College District 518

By: 
Board chair

Attest: 
Secretary

Carl Sandburg College Foundation

By: 
Board chair

Attest: 
Secretary

