

SRVEF
Memorandum of Understanding
School Year 2009-2010

Revised 6/1/09
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The _____ (“Affiliate”) and the San Ramon Valley Education Foundation (“Foundation”) hereby agree to the following Memorandum of Understanding (“MOU”).

The Affiliate agrees to operate and function as an auxiliary Organization of the Foundation and under the umbrella of the Foundation’s 501 {c} (3) group tax exemption. In order to maintain its status as an affiliate of the Foundation, the Affiliate hereby understands and agrees to operate and abide by all of the policies, rules and regulations of the Foundation and to comply with current IRS rules and regulations for non-profit affiliate entities as follows:

By-Laws, Regulations, Policies and Procedures

1) The Affiliate agrees to develop and abide by a set of Bylaws, governing their actions and efforts, and that are established with the approval of the Foundation. The Bylaws shall incorporate a Mission Statement referencing the school that is to be the beneficiary of the Affiliates efforts and shall include the following provisions:

- a. Officers; including but not limited to President, Vice President, Treasurer, and Secretary.
- b. Board Members; a minimum of 7 at any one time and a specified the length of the Board member’s term. This minimum includes the school site Principal.
- c. Complete Financial Books and Records.
- d. Minutes of the proceedings of the Board of Directors.
- e. Three (3) Authorized Check Signers; designated annually by The Board and including the Treasurer and two other Board members of which any two (2) must sign every check and / or agree in writing to every disbursement of Affiliate funds.

2) The Affiliate’s Bylaws shall be reviewed annually by the Affiliate’s Board of Directors. A current copy of the Affiliate’s Bylaws shall be submitted to the Foundation annually, along with a cover letter from the Affiliate stating whether or not the Board has made changes to the Bylaws and indicating what changes have been made, if any.

3) The Affiliate agrees to review any policies, procedures and guidelines developed by the Foundation. Prior to the adoption, amendment or modification of any rule or regulation regarding Affiliate operation, the Foundation shall provide thirty (30) days notice to the Affiliate.

4) The Affiliate agrees to submit all of the forms requested on or before the date specified in MOU Attachment A on pages 4 and 5 herein.

5) The Affiliate and its entire Board agrees to operate and abide by all State, Federal and tax authority laws, rules and regulations governing non profit affiliate entities.

Day to Day Operations

1) The Affiliate agrees to provide the Foundation with the names, addresses and contact information for each of the officers of the Affiliate and the names of all Board members no less often than annually and at any time changes are made.

2) The Affiliate agrees to inform the Foundation of the names of the officers who are signers on any bank / investment / financial account and notify the Foundation of any changes in these signers immediately as they occur. The Foundation requires that all signers be unrelated, either by blood or marriage and they do not reside in the same household.

3) The Affiliate agrees that the Foundation, at its request, may review any of the Affiliates books, records, and operations at any time including but not limited to the following specific information:

- a. Bank Statements, Financial Records, Audits & Annual Reports
- b. Board Meeting Minutes
- c. Fundraising activities
- d. Newsletters (paper and electronic)

- e. By-Laws
- f. Insurance Records

Financial Control, IRS Reporting and State of California Reporting

- 1) The Affiliate agrees that it will conduct all of its efforts and specifically fund raising activities and dispersals of funds in a manner compatible with the Foundation's purpose and consistent with the tax-exempt status of the Foundation.
- 2) Specifically, the Affiliate must:
 - a. Maintain a segregation of duties between the handling of cash and the recording and reconciling of the financial records. This might include the use of a cash verification form, fund raising reports being matched to the Affiliate's financial reports, etc.
 - b. Have all bank statements sent directly to an officer other than the Treasurer for monthly review. Bank statements must include copies of checks.
 - c. Allow a random and complete review to be conducted by either the Foundation or the San Ramon Valley Unified School District, within 15 days of the request.
 - d. Bond the Treasurer, authorized check signers and any other Board members handling cash for embezzlement, loss of funds etc.
 - e. Maintain all of its funds separate from any PTA or other School Organization funds.
 - f. Comply with IRS 501{c} (3) and supporting tax regulations, particular IRS Publication Number 557.
- 3) Prepare and submit to the IRS all required tax returns and other documents timely including Form 990, Form 999 and the RRF-1. Immediately inform the Foundation of any correspondence or legal notice regarding the affiliate's tax status, tax returns or other information regarding the Foundations Tax status.
- 4) Use QuickBooks or QuickBooks compatible software as its' accounting software.
- 17) The Affiliate agrees to provide the Foundation with the names, addresses and contact information for each Affiliate Board member who is authorized to sign checks. Two signers are required on all checks and all Affiliate funds must be placed in government insured institutions. In addition, the affiliate shall authorize their bank to provide the Foundation with access to the affiliate's bank statements and transaction information and the ability to freeze any and all accounts.

Fundraising

- 1) The Affiliate agrees not to actively solicit United Way Funds beyond the Affiliates school community.
- 2) The Affiliate is responsible for providing a thank you letter to all donors who give in excess of \$250 in a single year, in compliance with the IRS tax code.

Insurance

The Foundation annually purchases General Liability insurance for each affiliate and makes available Event Liability insurance (including an alcoholic beverage service rider) and Bonding insurance for each Affiliate at discounted rates.

- 1) The Affiliate agrees to pay its proportionate share for the General Liability insurance provided by the Foundation for all Affiliates and any other expenses incurred by the Foundation on behalf of the Affiliate.
- 2) The Affiliate agrees to purchase and pay for Event Liability insurance for each activity other than regular Board or board committee meetings (i.e. fundraising events) naming the Foundation as additionally insured from the Foundation's insurer listed on the Foundation Web Site. The Affiliate must notify the Insurance provider of each event through the on-line form found on the Foundation Web Site. Affiliates will be billed by the Foundation for this coverage and payment is due upon receipt of invoice.
- 3) The Affiliate agrees to purchase and pay for Bonding insurance for the Treasurer, authorized check signers and any other Board members handling cash for embezzlement, loss of funds etc. This insurance can be purchased through the Foundations insurer or other sources. Proof of Bonding insurance will be provided to the Foundation per Attachment A.

Foundation / Affiliate Meetings

These meetings act as the deadline for documents periodically due from the Affiliate to the Foundation and allow the Affiliates to share ideas and information about raising money, engaging board members and parents in education fund activities and sharing best practices with each other.

1) The Affiliate is required to have at least one representative at each Affiliate Meeting during the 2009 / 2010 school year which are currently scheduled for October 28, 2009, January 27, 2010 and April 28, 2010.

Annual Affiliate Status Renewal Requirements

There is no automatic renewal of this MOU or of the affiliate relationship with the Foundation. Annually, 1) The Affiliate must apply to renew its status as an Affiliate of the Foundation for the next school year no later than the last day of instruction for the school year. The Affiliate Board must, by a 2/3 vote, pass a motion stating its desire to renew it's Affiliate relationship with the Foundation for the next school year. The Affiliate must submit to the Foundation as part of its application an executed copy of this MOU along with the documents listed on the reporting requirements page in Attachment A. The Board's Secretary must certify the date and time that the resolution was passed and note this in the Board's minutes. If these conditions are not met the Affiliate will receive a warning. After 3 warnings the Affiliate will be suspended. If all issues are not corrected immediately, the Affiliate will be dropped as part of the Foundation's 501 (3) (c) and the IRS, the state of California and the Department of Justice will notified that the Affiliate has been dropped as a affiliate of the Foundation. 2) Each Affiliate shall be responsible for participating in a minimum of one Foundation fundraising event each year (i.e. Primos Run for Education) 3) The Foundation can review each Affiliate randomly and provide feedback on the activities.

The Affiliate acknowledges receipt, review and understanding of the Affiliate Responsibilities & Expectations, and the Foundation Board Policies both of which are listed on the Foundation website located at <http://www.srvef.org> and within this MOU.

_____ (name of Affiliate) resolved at a duly noticed and a meeting with a 2/3 vote of the quorum of the Affiliate on _____ (date) that the Affiliate desires to maintain its affiliation with the Foundation for the _____ 2009 / 2010 School Year.

Signed: _____ Date: _____
President

Signed: _____ Date: _____
Vice President

Signed: _____ Date: _____
Treasurer

Signed: _____ Date: _____
Secretary

Signed: _____ Date: _____
School Principal

Affiliate Approved for 2009/2010 School Year.

Signed: _____ Date: _____
SRVEF President

Appendix A Forms Checklist

Audit July-Dec after all accounting is completed for Dec. Usually by the end of Jan and have it completed by mid March.

- Audit Jan-June after accounting for June is completed. Usually by the end of July and have it completed by mid September.

Due Date	Form	Deliverable
Due upon receipt of invoice	Liability Insurance Premium	Check to SRVEF
Oct Meeting	Bylaws	Copy to Foundation
Oct Meeting	MOU from SRVEF (signed by officers and principal)	Copy to Foundation
Oct Meeting	Affiliate Board Roster (Include e-mail addresses, phone #'s, addresses & indicate officers)	Copy to Foundation
Oct Meeting	Proof of Bonding Insurance	Copy of Insurance Certificate
Oct Meeting	Letter of Authorization to Bank to freeze funds (See form letter) Submit new letter if officers change during the year)	Copy of Letter to the Foundation & the Bank
Oct Meeting	Affiliate's Meeting Dates for Upcoming Year	Copy of Schedule to Foundation
Oct Meeting	Board Members Signing Checks	Copy of Form letter to Foundation
Jan Meeting	Current Fiscal Year Budget	Copy to Foundation

Due Date	Form	Deliverable
Jan Meeting	Internally Audited Fiscal Year End Financials (QuickBooks Balance Sheet & Income Statement) (7/1 – 6/30)	Copy of Audit and Audit Acknowledgement to Foundation
Jan Meeting	Annual Report from previous year. (Use form)	Copy to Foundation
Jan Meeting	Tax Forms filed with the Tax Authority or an Extension on Form #8868	Forms filed with the Tax Authority: 990 – Return of Organization Exempt From Income Tax 199 – California Exempt Organization Annual Information Return RRF-1 - Annual Registration Renewal Fee Report to Attorney General of California
Jan Meeting	Copies of Tax Forms filed with the Tax Authority or an Extension on Form #8868	Copies to the Foundation: 990 – Return of Organization Exempt From Income Tax 199 – California Exempt Organization Annual Information Return RRF-1 - Annual Registration Renewal Fee Report to Attorney General of California
Apr Meeting	Liability Insurance premium; payable to SRVEF	Check sent to Foundation
April Meeting	Internally Audited Fiscal Mid – year Financials (QuickBooks balance statement & income statement) (7/1 – 12/31)	Copy of Audit and Audit Acknowledgement to Foundation