

Memorandum of Understanding

Between Granbury ISD Foundation and Granbury Independent School District

This Memorandum of Understanding is entered into by and between the Granbury Independent School District Board (“School board”) of Granbury Independent School District (“the District”) and the Granbury ISD Education Foundation Board of Directors (“Foundation Board”) of the Granbury ISD Education Foundation (the “Foundation”), desiring to memorialize the nature of their relationship, ratify and approve past activities and mutually acknowledge, for the future, the respective obligations and rights of the parties.

Recitals

Whereas, the District is a public school system located in Texas, and

Whereas, the Foundation is an independent nonprofit corporation organized under the Texas Business Organizations Code (hereinafter called the “Act”), and exempt from taxation pursuant to the Internal Revenue Code 501 (c) (3), and

Whereas, the School Board has the authority to enter into contracts as are necessary for the efficient management of the District, and

Whereas, the Foundation is organized and operated exclusively for educational purposes and to receive and disburse funds, property and gifts of any kind exclusively for the benefit of the District, and

Whereas the parties desire to formalize their relationship to achieve an efficient coordination between them to advance the District’s public purposes and to foster the educational and cultural programs and services of the District;

Now therefore, in consideration of the mutual covenants, promises and conditions herein contained, the District and the Foundation agree as follows:

- A. Public Purposes: The School Board has identified the following educational public purposes for district’s support of the Foundation:
 1. The District welcomes financial contributions from the Foundation to enhance its quality education programs.
 2. Continuation of the momentum achieved in financial support to enhance quality education programs encourages commitment and support from the District.
 3. Community involvement in raising money for educational programs achieves a concurrent psychological and philosophical investment in the District.
 4. The Foundation is a nonprofit education corporation organized in Hood County for educational and charitable purposes. The Foundation invests time

and resources to generate and improve community support that benefits the District and its students.

5. The community's legitimate expectation is that the District supports the Foundation through the Foundation's limited use of facilities, equipment and personnel. The community realizes a convenience in having the District allow use of its facilities by the Foundation.
6. Solicitations of additional revenue by Foundation directors and personnel relieves the fund-raising burden of the Superintendent, administrators, teachers and staff, leaving them free to focus on the District's educational mission.
7. The District anticipates gains from its assistance to the Foundation.

B. Commitment: The School Board agrees to provide the following to the Foundation, provided that the public purposes continue to be met and the controls continue to be implemented, and subject to the School Board's continuing right to refuse to appropriate the necessary funds in any budget year.

1. The District may share annually with the Foundation appropriate documentation identifying priorities and projects, and resource requirements so that the Foundation may align its programs and campaigns consistent with the strategic objectives of the District.
2. The District may report to the Foundation prospective gifts, so that each opportunity for enhancing gift potential and donor relations is fully realized.
3. The District shall permit the Foundation use of facilities, consistent with District policies and procedures for Foundation activities and programming.
4. The District Superintendent shall supervise employees of the District that are providing limited services to the Foundation. The employees who provide limited services to the Foundation shall be subject to all rights and responsibilities of other District employees.

C. Responsibilities of Foundation:

1. The Foundation agrees that, during the term of this Memorandum of Understanding, the Foundation will use its best efforts to solicit, collect, invest and administer funds for the Foundation, which shall be used to enrich and enhance the educational environment of the District.
2. The Foundation agrees that, in each of the Foundation's fiscal years, the Foundation shall contribute more to the District than the value of the District's limited support to the Foundation. For purposes of this Agreement, amounts contributed to the District in any fiscal year shall include all grants to teachers, educational programs, and all payments to an endowment fund made in that fiscal year, but shall not include monies deposited into retained earnings until those retained earnings are spent for the benefit of the District through a teacher grant, educational program or endowment payment.
3. The Foundation agrees that it will require its personnel and the District personnel providing limited services to the Foundation to follow all policies

and procedures of the District when representing the District or the Foundation in any capacity.

4. The Foundation agrees that it will continue to recognize the District as the sole beneficiary of its solicitation program.
5. The Foundation has fiduciary responsibility for the operation of the Foundation and the authorization of the expenditures of funds.
6. The Foundation shall collect and authorize such funds to be used for educational projects in alignment with the District's strategic plan and institutional priorities.
7. The Foundation shall conduct its activities in such a manner to maintain its status as a tax exempt, charitable organization under state and federal laws.
8. The Foundation shall consult with the District before accepting any gift for the benefit of the District that contains restrictive terms or conditions.

D. Controls: The School Board and the Foundation Board agree on the following controls, to ensure that a proper public educational purpose is served by this arrangement:

1. The Foundation shall provide the School Board with an annual report, which shall be presented to the School Board at a public School Board meeting.
2. The Foundation shall abide by all policies and procedures of the District related to facility and equipment use, personnel, public information, and all other applicable policies.

AGREED TO this _____ day of _____, 2012.

SCHOOL BOARD

EDUCATION FOUNDATION

President

President

ATTEST:

ATTEST:

Secretary

Secretary