



MEMORANDUM OF UNDERSTANDING BETWEEN SOLANO COMMUNITY COLLEGE DISTRICT AND SOLANO COMMUNITY COLLEGE EDUCATIONAL FOUNDATION

This Memorandum of Understanding Agreement ("Agreement") is made and entered into this 16 day of April, 2025, by and between the Solano Community College District, a California community college district ("District") and the Solano Community College Educational Foundation, a California nonprofit public benefit corporation ("Foundation").

RECITALS

WHEREAS, the District is a public community college district organized and existing under the laws of the State of California; and

WHEREAS, the Foundation is a nonprofit public benefit corporation organized and operated as a 501(c)(3) tax-exempt organization to support the programs and activities of the District; and

WHEREAS, California Education Code Sections 72670-72682 authorize the Board of Trustees of the District to establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the benefit of the District; and

WHEREAS, Title 5, California Code of Regulations, Sections 59250-59270 sets forth requirements for the establishment and operation of auxiliary organizations; and

WHEREAS, the District desires to designate the Foundation as an auxiliary organization pursuant to Education Code Section 72670 et seq., and the Foundation desires to be so designated;

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and obligations set forth herein, the parties agree as follows:

ARTICLE I - ESTABLISHMENT AND PURPOSE

Section 1.1 - Establishment

The District hereby designates the Foundation as an auxiliary organization of the District, pursuant to Education Code Section 72670 et seq. and Title 5, California Code of Regulations, Section 59250 et seq.

Section 1.2 - Purpose

The Foundation is established to promote and assist the educational programs of the District through:



1. Fundraising activities to secure private support for District programs and initiatives
2. Management of scholarships and endowments for the benefit of District students
3. Development of community partnerships and relationships that enhance the District's mission
4. Provision of fiscal support for District programs beyond what is available through public funding
5. Creation and management of special programs and projects that advance the District's educational mission

ARTICLE II - GOVERNANCE AND ADMINISTRATION

Section 2.1 - Foundation Board of Directors

The Foundation shall be governed by its Board of Directors in accordance with its Articles of Incorporation and Bylaws, which shall be consistent with the provisions of this Agreement and applicable law.

Section 2.2 - District Representation

The Superintendent-President of the District shall serve as an ex-officio voting member of the Foundation Board.

Section 2.3 - Bylaws

The Foundation's Bylaws shall conform to the requirements of Education Code Section 72670 et seq. and Title 5 of the California Code of Regulations. Any amendments to the Bylaws shall be submitted to the District Board of Trustees for review and approval prior to adoption.

Section 2.4 - Director

The Foundation's Director shall be responsible for the day-to-day operations of the Foundation and shall serve as the primary liaison between the District and the Foundation. The selection of the Director shall be the responsibility of the District Superintendent-President or their delegate.

ARTICLE III - FISCAL PROCEDURES AND OVERSIGHT

Section 3.1 - Fiscal Year

The Foundation shall operate on a fiscal year beginning July 1 and ending June 30 to align with the District's fiscal year.

Section 3.2 - Budget Development and Approval



1. The Foundation shall develop an annual operating budget that includes all anticipated revenues and expenditures.
2. The proposed budget shall be presented to and approved by the Foundation Board no later than June 15 of each year.
3. Upon approval by the Foundation Board, the budget shall be submitted to the District's VP of Finance and Administration or their delegate for review and comment.
4. The final budget shall be presented to the District Board of Trustees as part of the District's Adopted Budget annually presented in August/September.

Section 3.3 - Financial Management

1. The Foundation shall establish and maintain banking relationships separate from the District.
2. All funds received by the Foundation shall be deposited in Foundation accounts.
3. The Foundation shall develop and implement an investment policy that has been reviewed and approved by the District.
4. Foundation funds shall be managed in accordance with prudent investment practices and in compliance with all applicable laws and regulations.
5. The Foundation shall maintain separate accounting records for restricted and unrestricted funds.
6. The Foundation shall comply with all applicable provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Section 3.4 - Accounting Practices

1. The Foundation shall adopt and implement accounting practices that conform to generally accepted accounting principles (GAAP).
2. The Foundation shall maintain adequate records and accounts of all financial transactions.
3. Financial statements shall be prepared monthly and presented to the Foundation Board at each regular meeting.



4. To facilitate financial reporting and oversight, the Foundation shall present all financial reports to the District VP of Finance and Administration or their delegate in a format agreed upon by both parties prior to the execution of this MOU. The reports shall include a comprehensive analysis of the financial position of the Foundation, including any significant changes in financial position and budget variances.
5. The Foundation shall maintain appropriate documentation for all financial transactions, including but not limited to receipts, invoices, contracts, and donation records.

Section 3.5 - Financial Reporting

1. Quarterly financial reports shall be submitted to the District's VP of Finance and Administration or their delegate.
2. Annual financial reports shall be submitted to the District Board of Trustees within 90 days after the close of the fiscal year.
3. All financial reports shall include:
 - a. Statement of Financial Position (Balance Sheet)
 - b. Statement of Activities (Income Statement)
 - c. Statement of Cash Flows
 - d. Investment performance report
 - e. Report on fundraising activities and outcomes
 - f. Status report on donor-restricted funds

Section 3.6 - Audit Requirements

1. The Foundation shall engage an independent certified public accountant to conduct an annual financial audit.
2. The audit shall be conducted in accordance with generally accepted auditing standards.
3. The audit report shall be submitted to the Foundation Board, the District Board of Trustees, and the California Community Colleges Chancellor's Office within 120 days after the close of the fiscal year.
4. The Foundation shall respond in writing to any audit findings or recommendations and shall implement corrective actions as needed.
5. The District's internal audit function shall have access to Foundation financial records for review purposes.



Section 3.7 - Financial Controls

1. The Foundation shall establish and maintain a system of internal controls that provides reasonable assurance that:
 - a. Financial transactions are properly authorized and executed
 - b. Assets are safeguarded against loss from unauthorized use or disposition
 - c. Financial records are reliable for preparing financial statements and maintaining accountability
2. Separation of duties shall be implemented for all financial processes.
3. Multiple signatures shall be required for expenditures exceeding \$10,000.
4. The Foundation Board shall review and approve all expenditures exceeding \$50,000.
5. Any single expenditure exceeding \$100,000 shall be reported to the District Board of Trustees.

Section 3.8 - Fundraising and Gift Acceptance

1. The Foundation shall develop and implement policies and procedures for fundraising activities and gift acceptance.
2. All fundraising activities shall be consistent with the mission and priorities of the District.
3. The Foundation shall maintain appropriate donor records and ensure compliance with donor intent for restricted gifts.
4. The Foundation shall issue appropriate acknowledgments for all charitable contributions in accordance with IRS requirements.
5. The Foundation shall provide quarterly reports to the District summarizing fundraising activities and results.

Section 3.9 - Procurement and Expenditure Policies

1. The Foundation shall develop and implement procurement policies that ensure competitive pricing and prevent conflicts of interest.
2. Foundation expenditures shall be:
 - a. Consistent with the Foundation's purpose and mission
 - b. Authorized by appropriate Foundation personnel
 - c. Reasonable and necessary



- d. Properly documented
- e. In compliance with any donor restrictions

3. The Foundation shall not expend funds for purposes prohibited by applicable law or that are inconsistent with the Foundation's tax-exempt status.

ARTICLE IV - USE OF FACILITIES AND SERVICES

Section 4.1 - District Facilities

1. The District shall provide the Foundation with office space for the Foundation Director and the Administrative Assistant.
2. The District shall provide the Foundation access to meeting rooms and event space as reasonably necessary for Foundation operations and events.
3. The Foundation shall comply with all District policies regarding use of facilities.
4. The District shall provide maintenance, utilities, and custodial services for the office space it has provided to the Foundation at no cost to the Foundation.

Section 4.2 - District Services

1. The District shall provide administrative services to the Foundation Director and Administrative Assistant, which include, but not limited to:
 - a. Human resources support
 - b. Information technology support
 - c. Communications and marketing support

Section 4.3 - Use of Name and Insignia

The Foundation is authorized to use the name, insignia, or logotype of the District, subject to District policies and guidelines regarding such use.

ARTICLE V - PERSONNEL

Section 5.2 – District Employees

1. The District shall employ the Foundation Director and the Administrative Assistant.
2. For the Foundation Director and the Administrative Assistant, the District shall be responsible for all employment-related matters, including but not limited to recruitment, hiring, compensation, benefits, evaluation, discipline, and termination.



3. District employees assigned to work with the Foundation shall remain employees of the District.

Section 5.2 - Foundation Employees

1. Any additional Foundation employees hired beyond the Foundation Director and the Administrative Assistant shall be employed solely by the Foundation and shall not be deemed employees of the District.
2. For Foundation employees, the Foundation shall be solely responsible for all employment-related matters, including but not limited to recruitment, hiring, compensation, benefits, evaluation, discipline, and termination.
3. The Foundation shall adopt and implement personnel policies consistent with applicable law.

ARTICLE VI - INDEMNIFICATION AND INSURANCE

Section 6.1 - Indemnification

1. The Foundation shall indemnify, defend, and hold harmless the District, its Board of Trustees, officers, employees, and agents from and against any and all claims, damages, losses, and expenses arising from Foundation activities.
2. The District shall indemnify, defend, and hold harmless the Foundation, its Board of Directors, officers, employees, and agents from and against any and all claims, damages, losses, and expenses arising from District activities.

Section 6.2 - Insurance

1. The Foundation shall obtain and maintain insurance coverage as follows:
 - a. Commercial General Liability Insurance with minimum limits of \$2,000,000 per occurrence
 - b. Directors and Officers Liability Insurance with minimum limits of \$1,000,000
 - c. Employment Practices Liability Insurance with minimum limits of \$1,000,000
 - d. Workers' Compensation Insurance as required by law
2. The District shall be named as an additional insured on the Foundation's Commercial General Liability policy.
3. The Foundation shall provide certificates of insurance to the District annually.



ARTICLE VII - TERM AND TERMINATION

Section 7.1 - Term

This Agreement shall be effective upon approval by the District Board of Trustees and the Foundation Board and shall continue in effect for five (5) years, unless terminated earlier as provided herein.

Section 7.2 - Renewal

This Agreement may be renewed for additional five-year terms upon mutual written agreement of the parties.

Section 7.3 - Termination

1. Either party may terminate this Agreement for convenience upon 180 days' written notice to the other party.
2. Either party may terminate this Agreement for cause upon 30 days' written notice specifying the cause, provided that the other party has an opportunity to cure the cause within the 30-day period.
3. In the event of termination, the Foundation shall promptly return to the District or transfer to another entity designated by the District all assets and funds held by the Foundation on behalf of the District, subject to any donor restrictions.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.1 - Compliance with Law

The Foundation shall comply with all applicable federal, state, and local laws and regulations, including but not limited to Education Code Section 72670 et seq. and Title 5, California Code of Regulations, Section 59250 et seq.

Section 8.2 - Amendments

This Agreement may be amended only by written instrument executed by both parties.

Section 8.3 - Dispute Resolution

The parties shall attempt to resolve any disputes arising under this Agreement through good faith negotiation. If negotiation fails to resolve the dispute, the parties may agree to mediation before pursuing other legal remedies.

Section 8.4 - Notices

All notices required under this Agreement shall be in writing and shall be delivered by personal



delivery, electronic mail with confirmation of receipt, or certified mail, return receipt requested, to the following addresses:

To the District:

Superintendent-President
Solano Community College District
4000 Suisun Valley Road
Fairfield, CA 94534

To the Foundation:

Executive Director
Solano Community College Educational Foundation
4000 Suisun Valley Road
Fairfield, CA 94534

Section 8.5 - Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral.

Section 8.6 - Severability

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

Section 8.7 - Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 - Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.



SOLANO COMMUNITY COLLEGE DISTRICT

By: Denis Honeychurch

Denis Honeychurch, J.D.
President, Governing Board

By: Kellie Sims Butler

Kellie Sims Butler, Ph.D.
Superintendent-President

SOLANO COMMUNITY COLLEGE EDUCATIONAL FOUNDATION

By: Robert DaPrato

Robert DaPrato
SCCEF Board President

By: Curt Johnson

Curt Johnson
SCCEF Executive Director