

# MEMORANDUM OF AGREEMENT

between

**Community Foundation of the Ozarks, Inc. (CFO)**

and

----- **Community Foundation (Affiliate)**

1. The ---- Community Foundation (hereinafter called "Affiliate") is dedicated to supporting 501 (c)(3) non-profit organizations and charitable purposes in -----, Missouri.
2. The ----- Community Foundation will be an affiliate of Community Foundation of the Ozarks, Inc., (hereinafter called "CFO"), a community foundation serving the Missouri Ozarks. As such, it will operate under the governing instruments of the CFO Board of Directors and will, thereby, have those characteristics legally required for component fund status and public charity classification in compliance with the Internal Revenue Code for community foundations.
3. The Affiliate will have a Governing Board. The president will be named by the Board. Other officers, committees, and/or additions to the Board may be named by the Board as the need arises. The duties of the Governing Board of the Affiliate will be to:
  - a. Establish the policies and procedures (bylaws or standing rules) to guide the Affiliate, such policies and procedures must be congruent with the bylaws of CFO.
  - b. Carry out the work of the Affiliate as developed by its Governing Board under its established policies and procedures.
  - c. Evaluate proposals for discretionary grants from the component funds of the Affiliate, and recommend to the CFO Board of Directors, those grants to be funded. Final approval for grant decisions will rest solely with the CFO Board of Directors. It is the policy of the CFO Board to approve the recommendations so long as they fall within the charitable purposes of the Affiliate and the legal requirements governing community foundations.
  - d. Educate the community as to the benefits of the Affiliate.
  - e. Encourage the establishment of component funds within the Affiliate or contributions to the Affiliate's unrestricted fund for general grantmaking purposes.
4. A new Affiliate must reach \$30,000 in an unrestricted community grantmaking fund to become a publically recognized Affiliate of the CFO network. During this interim period, however, the new Affiliate will receive all CFO services, rights, and privileges according to charitable funds under CFO bylaws.

5. Fund Establishment:

- a. An unrestricted fund for general grantmaking purposes shall be established by the Affiliate. This unrestricted endowment fund will support the Affiliate's community grantmaking program.
- b. The Affiliate is encouraged to solicit establishment of other named funds that are of the following, subject to the approval of CFO:
  - unrestricted
  - organizational
  - scholarship
  - field-of-interest
  - designated
  - donor advised
- c. Charitable distributions and processes are ultimately determined by fund documents, which are approved by the governing board of CFO.
- d. CFO shall endeavor to consult with the Governing Board of the Affiliate for disbursement from existing permanent funds of CFO that are directed to the benefit of the geographic area of the Affiliate.

6. Funds are subject to the current administrative fee of CFO. This fee is subject to change by the CFO Board of Directors.

7. The CFO board of Directors will set a fund distribution policy in accordance with its by-laws.

8. Services provided by CFO to the Affiliate will include:

- a. An annual independent audit as a part of the Foundation's audit.
- b. An annual IRS report as part of the Foundation's IRS Form 990.
- c. Quarterly fund statements detailing all activity, including quarter-to-date and year-to-date balances.
- d. A section of CFO's Annual Report will be devoted to affiliate community foundations. The Annual Report will be made available to the Affiliate as requested by its Governing Board.
- e. A section of CFO's newsletter will be devoted to the activities of the affiliate community foundations. The newsletter will be made available to the Affiliate Governing Board.
- f. Staff support to the Affiliate Governing Board in evaluating grant requests and monitoring grants funded and other reasonable grant support as requested by the Affiliate Governing Board.

g. All records of the Affiliate that are requested to be kept under the laws governing community foundations will be kept by CFO.

h. Other services as requested by the Affiliate Governing Board and approved by CFO.

9. The Affiliate may not enter into any contract or legal agreement without approval from CFO's Executive Committee. CFO reserves the right to approve material of public relations, information, or advertising nature.

10. In the event the Governing Board of the Affiliate ceases to function, CFO will terminate this agreement upon notification of the Governing Board of the Affiliate. In such event, any funds established with the Affiliate will become regular component funds of CFO and be managed as requested in the governing documents of such funds.

11. The Affiliate may withdraw from CFO and become an independent community foundation upon written request from its Governing Board contingent upon written proof the Affiliate has incorporated under the law of the state of Missouri, has received recognition from the Internal Revenue Service as a 501 (c)3 tax exempt public charity and has written into its articles of incorporation a dissolution clause that names CFO as the recipient of its assets in the event it loses its recognition as a foundation or ceases to function. Upon providing such proof, a mutually agreed upon time frame and procedure for transfer of assets and records will be developed to insure an orderly transition, but in no case shall it take longer than six (6) months.

In the event the Governing Board of the Affiliate requests and receives withdrawal from CFO through termination of this agreement, any funds established with the Affiliate will become component funds of the Affiliate, providing the governing document clearly states that the charitable gift establishing the fund was given to the "----- Community Foundation, an affiliate of Community Foundation of the Ozarks, Inc.", or its successor. Existing permanent or nonpermanent funds of the Foundation that are directed to the benefit of the geographic area of the Affiliate will remain with CFO, subject to Section 5.

12. Terms of this memorandum shall only be modified by mutual written amendment of this agreement by the Board of CFO and the Board of the Affiliate.

13. This agreement represents the entire relationship and agreement between CFO and the Affiliate, and supersedes any verbal or other representations and understandings.

In recognition and acceptance of this agreement as of \_\_\_\_\_ 2012.

\_\_\_\_\_  
-----, President  
----- Foundation

\_\_\_\_\_  
Brian Fogle, President  
Community Foundation of the Ozarks