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**ADOPTED—BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
MAY 7, 2020**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508  
COUNTY OF COOK AND STATE OF ILLINOIS**

**RESOLUTION  
AUTHORIZING EXECUTION OF MEMORANDUM OF UNDERSTANDING  
WITH THE CITY COLLEGES OF CHICAGO FOUNDATION  
OFFICE OF THE GENERAL COUNSEL**

**WHEREAS**, City Colleges of Chicago (“CCC”) prepares more than 75,000 students annually with a quality, affordable education leading to transfer, careers, and a path to upward mobility; and

**WHEREAS**, the City Colleges of Chicago Foundation (“the Foundation”), is an Illinois not-for-profit corporation with principal headquarters located at located at 180 N. Wabash Avenue, Chicago, Illinois 60601; and

**WHEREAS**, The Foundation is organized and is operated exclusively for educational purposes to assist in developing and augmenting the resources and carrying out the educational functions of the City Colleges of Chicago; and

**WHEREAS**, CCC and the Foundation desire to enter into an agreement to formally document the obligations of each party.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Community College District No. 508, Cook County and State of Illinois, hereby authorizes the Chair, upon final approval of the General Counsel of the legal form of such agreement, to execute a Memorandum of Understanding with the City Colleges of Chicago Foundation substantially in the form of Attachment 1 hereto.

**May 7, 2020 – Office of the General Counsel**

## Attachment 1

### DRAFT

# MEMORANDUM OF UNDERSTANDING BETWEEN THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508 d/b/a THE CITY COLLEGES OF CHICAGO AND THE CITY COLLEGES OF CHICAGO FOUNDATION

This Memorandum of Understanding, hereinafter known as the "Agreement", is entered into as of January 1, 2020 by and between the Board of Trustees of Community College District No. 508 (hereinafter referred to as "City Colleges of Chicago" or "CCC"), an institution of higher learning and an agency of the State of Illinois and The City Colleges of Chicago Foundation (hereinafter referred to as the "Foundation"), an Illinois not-for-profit corporation and tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"). Each of CCC and the Foundation is sometimes referred to herein as a "party", and collectively as the "parties."

### PREAMBLE

WHEREAS, the City Colleges of Chicago is a community college district located in Chicago, Illinois providing post-secondary education;

WHEREAS, the Foundation has been established as a separate, not-for-profit corporate entity and exists for the principal purpose of aiding and assisting the CCC by, among other things, providing fund raising services and other assistance to attract private gift funds from alumni, parents, friends, corporations and foundations, and to support the CCC educational, research, and service goals;

WHEREAS, the Foundation is dedicated to raising and managing private resources to support the mission, goals and priorities of the CCC, to provide educational opportunities for the students at the CCC and to establish a margin of institutional excellence unattainable with state and federal funds alone;

WHEREAS, the CCC recognizes the Foundation as an organization to plan, initiate, direct and coordinate certain development efforts in pursuit of gift support from private sources;

WHEREAS, the parties acknowledge that they are independent entities, separately governed and legislated, and recognize that close collaboration and cooperation are essential to attain their respective missions, and to avoid competition for funds or unproductive duplication of effort.

NOW, THEREFORE, in consideration of the foregoing premises and the terms and conditions hereinafter provided, the parties agree as follows:

#### **I. Foundation's Responsibilities**

- A. The Foundation is a separately incorporated 501(c)(3) not-for-profit organization created to raise, manage, distribute, and steward private resources to support the mission of CCC.
- B. The board of directors of the Foundation (the "Foundation Board") is responsible for the control and management of all assets of the Foundation, including the prudent management of all gifts consistent with donor intent.
- C. The Foundation shall use reasonable best efforts to provide the CCC the following services:
  - a. Identify, cultivate, evaluate and solicit, active and prospective philanthropic contributors for the benefit of the CCC. The Foundation shall act to secure for the

benefit of the CCC's students, faculty, and programs, private monetary resources in the continuing quest for overall excellence;

- b. Receive, hold and administer gifts of property, real or personal, financial or otherwise, to be used for and on behalf of the CCC, its faculty, students, and staff, all according to the terms of the gift and consistent with the CCC's and the Foundation's mission and vision. In the event a donor does not specify the terms for which the gift shall be used, then the Foundation shall administer and use the gift exclusively for the benefit of the CCC in accordance with priorities set by the Foundation Board. The Foundation will transfer funds to the designated entity within the CCC in compliance with applicable laws, the CCC and Foundation policies and organizational documents and applicable gift agreements;
- c. Provide expertise and assistance from time to time and as reasonably requested by CCC to CCC administration, faculty, staff and constituents on development and fundraising projects;
- d. Develop gift acceptance guidelines and policies in accordance with the CCC's mission, goals and objectives;
- e. Engage from time to time in solicitation activities which including mailings, events, programs and activities for the CCC;
- f. Maintain a prospect research and donor relations database system;
- g. Engage a reputable independent accounting firm to periodically conduct an audit of its financial statements, operations and practices;
- h. Develop a multi-year plan which sets forth the anticipated levels of funding commitment of the Foundation. The plan shall be updated annually, and provided to the CCC no later than November 1<sup>st</sup> of each year;
- i. Permit the Chair of the Board of Trustees of the CCC or the Chair's designee, Chancellor or the Chancellor's designee, and Chief Financial Officer to serve as voting members of the Foundation Board;
- j. For all services performed by the Foundation for the CCC, the Foundation shall maintain sufficient records, including cost allocation detail, time records, and records of supplies and materials consumed, to enable an audit review of this Agreement;
- k. Provide quarterly payments to the CCC for expenses as outlined in Exhibit A and for the management services/staff described in this Agreement, in each case which shall not exceed CCC's cost of providing such services, and which shall be in accordance with budgets approved from time to time by the Foundation and the CCC;
- l. Permit appropriate CCC officials to examine, inspect the Foundation's financial records during normal business hours and upon reasonable prior notice.
- m. Provide payment to the CCC for the CCC management services/staff set forth in this Agreement, which shall not exceed the CCC's cost of providing such services, and which shall be in accordance with budgets approved from time to time by the Foundation and the CCC.

## **II. City Colleges of Chicago Responsibilities**

- A. The CCC is responsible for communicating the priorities and long-term plans of the CCC, as approved by the board of trustees of the CCC (the “CCC Board) and CCC senior management, to the Foundation;
- B. The CCC Board, the CCC Chancellor and CCC senior leadership shall work, in conjunction with the Foundation, to identify, cultivate and solicit prospects for private gifts;
- C. As determined by the Foundation, the CCC’s Office of the General Counsel may provide legal support to the Foundation in connection with the Foundation's everyday activities. Notwithstanding the immediately foregoing, nothing herein shall prevent the Foundation from engaging separate outside legal counsel to represent the Foundation’s interests, as determined by the Foundation in its sole discretion.
- D. The CCC will direct CCC leadership and staff to follow the Foundation’s policies and procedures, when applicable;
- E. Support the operations of the Foundation;
- F. Honor the terms, conditions, or limitation imposed by donors in compliance with applicable laws, CCC and Foundation policies and organizational documents and applicable gift agreements, on any gifts transferred from the Foundation;
- G. Provide the following management services and/or staff, consistent with Foundation policy and procedures, in each case, as determined by the Foundation Board:
  - i. A President (who will commit the majority of full-time employment if deemed necessary by the Foundation Board);
  - ii. An Executive Director for Alumni and Donor Relations;
  - iii. An Executive Director for Scholarship Services; and
  - iv. A Foundation Administrative Assistant.
- H. Provide the Foundation with CCC services, facilities, and resources as agreed upon and outlined in Exhibit A, or as otherwise agreed upon in writing;
- I. Serve as the fiscal agent in maintaining an account to pay Foundation expenses;
- J. For all services performed by the CCC for the Foundation, the CCC shall maintain sufficient records to enable an audit review of this Agreement; and
- K. Acknowledge the Foundation is a separate entity from CCC with expertise in coordinating and in implementing all aspects of a resource development department and in maintaining a comprehensive, growth-oriented fundraising program.

## **III. Shared Responsibilities**

- A. The CCC and the Foundation shall use their best efforts to create an environment conducive to increasing levels of private support for the mission and priorities of the CCC and the Foundation;
- B. Plan and execute comprehensive fund-raising and donor-acquisition programs in support of the mission of the CCC and in accordance with law and the policies, procedures and organizational documents of the CCC and the Foundation. These programs shall include

annual giving, principal and major gifts, planned gifts, corporate and foundation philanthropic support, special projects, and campaigns, as appropriate;

- C. Ensure appropriate recognition and stewardship of all gifts received by the Foundation; and
- D. To ensure effective achievement of the terms of this Memorandum of Understanding, the parties shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.

#### **IV. Termination, Assignments, Amendments & Dissolution**

- A. The term of this Agreement begins on the date hereof and shall continue thereafter for one year following the date hereof (the "Initial Term"). This Agreement shall automatically renew upon the expiration of the Initial Term, and shall continue thereafter from year to year (each, a "Renewal Term"), unless either party shall give notice of termination to the other party in writing at least ninety (90) days prior to the expiration of the Initial Term, or any Renewal Term. Notwithstanding the foregoing, either party may terminate this Agreement in the event the other party defaults in the performance of its material obligations hereunder and (to the extent such default is capable of being cured) fails to cure such default within fifteen (15) calendar days after receipt of written notice from the terminating party giving the particulars of the breach and requiring the other party to cure such breach. In the event this Agreement is terminated by either party, the Foundation shall provide for the orderly transfer of all assets and responsibilities of the Foundation to the CCC, or as otherwise directed by the CCC, subject in each case to the compliance with applicable law, the Foundation and CCC policies and procedures and organizational documents.
- B. This Agreement may not be assigned without the prior written mutual consent of the CCC and the Foundation.
- C. Specific projects or activities not covered by this Agreement may be agreed upon between the parties in writing as a supplement to this Agreement, which supplements shall constitute a portion of this Agreement as though originally contained herein.
- D. This Agreement shall terminate upon the dissolution of the Foundation. Upon such dissolution, any assets of the Foundation which remain after paying or making provisions for the payment of its liabilities shall be distributed to the CCC, if the CCC is then exempt from tax as an educational institution, and subject to applicable law, the Foundation and CCC policies and procedures and organizational documents.

#### **V. Other Provisions**

- A. **Use of Name.** The Foundation is prohibited from using the name City Colleges of Chicago and derivatives thereof, without receiving the prior consent of the CCC; provided that the Foundation may use the name of City Colleges of Chicago for standard day-to-day matters, including letterhead, email and a website.
- B. **Governing Law.** This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois.

- C. **Applicable Laws.** The relationship between the CCC and the Foundation shall be in accordance with applicable State and Federal laws, rules, and regulations, and, with all applicable CCC and Foundation policies and procedures and organizational documents. The Foundation and the CCC will use their reasonable best efforts to ensure compliance with all applicable legal requirements.
  
- D. **Entire Agreement and Amendment.** This Agreement, including all exhibits, constitutes the entire agreement of the parties with respect to the matters contained herein. No modification of or amendment to this Agreement shall be effective unless such modification or amendment is in writing and signed by both parties hereto. Any prior agreements or representations, either written or oral, relating to the subject matter of this Agreement are of no force or effect. In the event of a conflict between the terms of this Agreement and any other documents, the terms of this Agreement shall supersede and prevail.

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

<p>THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508, COUNTY OF COOK, STATE OF ILLINOIS</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>THE CITY COLLEGES OF CHICAGO FOUNDATION</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
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## **EXHIBIT A**

City Colleges of Chicago will provide The City Colleges of Chicago Foundation with the following services:

- Fundraising Assistance
- Donor Assistance
- Special Events
- Marketing
- Public Relations
- Office Space
- Printing
- Payroll/Benefits
- IT services
- Finance and Accounting
- Legal