

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the Agreement) is made and entered into this 21st day of March 2022 by and between the BOARD OF TRUSTEES OF THE HIGH PLAINS LIBRARY DISTRICT (“the Library”) and the HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION (“the Foundation”), a Colorado non-profit corporation exempt from taxation pursuant to Internal Revenue Code Section 501(c)(3), as well as Section 509(a)1 of the Internal Revenue Code as a public charity, both parties of Greeley, Colorado. On 03/21/2022, the Library and Foundation entered into a Memorandum of Understanding to describe the manner in which they would collaborate and provide assistance to one another for the benefit of the Library.

### Recitals

- A. The Foundation was formed October 25, 2000 to “cultivate information, inspiration and entertainment for our communities by raising funds to sustain and create literacy programs, collection development, technology upgrades and capital improvements for our libraries.”
- B. Consistent with its stated mission, the Foundation provides financial support through its operations for the benefit of the Library.
- C. The Library has provided and will, subject to adequate funding, continue to provide assistance to the Foundation to facilitate its operation, endowment growth and the fulfillment of its stated mission.

### Agreements

NOW, THEREFORE, the Library and the Foundation agree as follows, subject to the continued approval of sufficient funding for these purposes:

#### I. OPERATIONS

1.0 Office space. The Library will furnish office space sufficient to operate the Foundation. The Foundation will comply with Library policies in its usage of such space.

2.0 Computer usage; office equipment; Foundation website section. The Library will furnish the Foundation a computer, basic IT services, telephones and reasonable usage of office equipment, such as copiers and fax. The Library will also maintain the Foundation website section, with the understanding that the Foundation will be responsible for submitting changes and updates to the Library’s website team in a timely fashion.

3.0 Assistance in financial reporting and maintenance of fundraising records. The Library will assist in the Foundation's cash management, accounting and financial reporting. The Library will provide software to manage Foundation fundraising records and will assist with data processing of those records. Both entities will be responsible for the proper procedural tracking, accuracy, reconciliation of records in accordance with accounting and nonprofit fiduciary best practices.

4.0 Marketing and volunteer activities. The Library Public Information staff will assist the Foundation with marketing support, as needed. The Foundation will in-turn align all marketing with the strategic purposes of the Library marketing plans and functions. The Foundation will oversee marketing efforts, policies and procedures relating to volunteer activities. The Foundation Director, as an employee of the District, along with HPLD Library Managers as appropriate, will manage the recruitment, roles and activities of volunteers. The Foundation will not provide oversight, direction or have any other involvement in the recruitment and volunteer tasks of the volunteers.

5.0 Personnel. The Library will hire a Director on behalf of the Foundation. The Library will make such hire, after careful consideration of the recommendations of the Foundation's Executive Committee, and in accordance with the policies and procedures of the Human Resources department of High Plains Library District. The parties acknowledge that the Foundation's Director will be a district employee subject to the policies of the district's Human Resources Department, including those pertaining to compensation. The Executive Director of the High Plains Library District will supervise the Director, who shall direct the operations of the Foundation in consultation with the Foundation's board of directors.

6.0 Charges to Foundation. In recognition of the support provided to the Library by the Foundation, the Library will not charge the Foundation rent for the office space it provides pursuant to section 1.0 or for the services described in sections 2.0 through 5.0 of this Agreement. The Foundation will be responsible for operating expenses relating to fundraising activities, including the costs of postage, large copy jobs, and consumable office supplies used in those activities.

## II. FOUNDATION RESPONSIBILITIES

7.0 Foundation Board of Directors. In compliance with its bylaws, the Foundation will recruit sufficient Board members to conduct its activities and to fulfill the organization's mission.

8.0 Compliance with legal and regulatory requirements. The Foundation will engage in an annual financial review and prepare necessary government reports at its own expense, including Form 990. The Board will comply with the Foundation's articles of organization/incorporation, bylaws, and applicable federal and state laws and regulations. The Director will inform the Executive Director of compliances on a regular basis.

## III. FUNDRAISING AND GRANTMAKING

9.0 Restricted, unrestricted and endowment gifts made to the Foundation; gifts made to the Library. All restricted and unrestricted gifts made by donors to the Foundation and all gifts made to the Foundation's endowment by donors will follow the guidelines outlined in the Board of Directors policy on Gift

Acceptance. Upon acceptance these gifts will be retained and managed by the Foundation. The following provisions shall apply to gifts made to the Library:

9.0.1 Statutory obligations with respect to gifts made to the Library that will receive potential tax benefit. Pursuant to (CRS S 15-1-1103-1109; CRS S 6-16-11(1)(i)), the Board of Directors of the Foundation has exclusive control over the assets of the Foundation and contributing assets.

Donated funds must;

(a) be clearly categorized as unrestricted, temporarily restricted or permanently restricted in the organization’s financial statements and communications in accordance with the donor or grantor wishes/stipulations.

(b) follow applicable federal, state, and local laws particularly disclosure requirements for donors (CRS S 6-16-105, 105.3)

9.0.2 Restricted gifts made to the Library. In those instances in which a donor has made a gift or donation to the Library subject to restrictions or specified conditions, the Library shall follow the Gift Acceptance Policy of the Foundation, a copy of which is publicly available at [www.mylibrary.us/Foundation](http://www.mylibrary.us/Foundation).

9.0.3 Unrestricted gifts made to the Library. In those instances in which a donor has made an unrestricted gift to the Library, meaning a gift on which the donor has imposed no conditions or restrictions as to use, the provisions of this subsection 9.0.3 shall apply. The Board of Trustees of the Library has determined that it will best serve the interests of the Library for unrestricted gifts to be held, invested and reinvested by the Foundation, subject to appropriate safeguards and agreements. The Library agrees to notify the Foundation, through its Director, or, in the absence of a Director, the Foundation's Chair, when it has received and accepted an unrestricted gift. The Foundation and the District will refer to and follow Policies and Procedures for Gift Acceptance.

10.0 Restricted gifts. All gifts restricted for a specific library service may be initially authorized by the Library Executive Director, subject to Library Board of Trustees approval when required under Library and Foundation policies, specifically the Gift Acceptance Policy, and then accepted by the Foundation.

11.0 Management of funds for benefit of Library. The Foundation Board of Directors and Director will manage the proceeds of the Foundation according to bylaws, gift acceptance policy, spending and investment policies, ensuring that all funds not needed for operating expenses and budgeted appropriations are used to further the mission of the Foundation. The parties agree that the Foundation will continue to contract with the contracted investment services provider for investment and reporting services relating to all such funds.

12.0 Annual disbursement to the Library. The Foundation has raised, and shall continue to raise, funds for the long-term financial sustainability of the District. The Foundation Board will, on an annual basis, approve a disbursement of a mutually agreed upon amount to the Library for collection development, technology upgrades, capital improvements and/or literacy programs.

13.0 Programming. HPLD will be responsible for all programming and management of the District and may provide additional staff support in furtherance of Foundation fundraising activities.

IV. MISCELLANEOUS PROVISIONS

14.0 Annual review and amendment of Agreement. The Library and Foundation agree that this Agreement will be reviewed on annual basis. This Agreement may be amended by a writing signed by the parties.

15.0 Termination of Agreement. This Agreement may be terminated by either party on thirty days prior written notice, in which event the parties will negotiate a new Memorandum of Understanding consistent with the missions of the Library and the Foundation.

16.0 Governing law. This Agreement shall be governed by Colorado law.

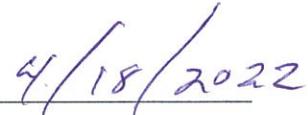
In witness whereof, the parties have hereunto set their hands:

  
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Kenneth Poncelow

CHAIRMAN

BOARD OF TRUSTEES OF THE HIGH PLAINS LIBRARY DISTRICT

  
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Date

  
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Gerri Holton

CHAIRMAN

BOARD OF DIRECTORS OF HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

  
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Date