

MEMORANDUM OF UNDERSTANDING
between
NORTH EAST INDEPENDENT SCHOOL DISTRICT
and
NORTH EAST EDUCATIONAL FOUNDATION

This Memorandum of Understanding ("Agreement") is made and entered into by and between the NORTH EAST INDEPENDENT SCHOOL DISTRICT ("North East ISD" or "the District"), a political subdivision organized under the laws of the State of Texas and the NORTH EAST EDUCATIONAL FOUNDATION ("NEEF" or "Foundation"), a 501(c)(3) non-profit organization. This Agreement, which signifies the formalized partnership between the two entities, shall be effective upon the signature of all parties ("Effective Date").

WHEREAS, North East ISD is a public school district located in Bexar County, Texas; and

WHEREAS, the Foundation was established as a charitable organization to provide charitable financial support for the benefit of North East ISD teachers, students, and its community; and

WHEREAS, North East ISD desires to facilitate the Foundation's efforts to raise funds for the furtherance of the educational mission of North East ISD for the benefit of teachers, students, and its community;

NOW, THEREFORE, North East ISD and the Foundation do hereby agree as follows:

I. RELATIONSHIP

The parties firmly acknowledge and accept that the Foundation and the District shall be maintained as separate and independent entities. This Agreement does not create a joint venture, partnership, or any other business or corporate relationship between North East ISD and the Foundation. Each party's authority to bind the other is limited to the provisions expressly provided herein and upon prior written authority through a majority vote of the North East ISD's Board of Trustees and the Foundation's Board of Directors during lawful meetings held in accordance with any applicable state and/or federal law or in accordance with applicable bylaws.

II. II. FOUNDATION RESPONSIBILITIES

- A. During the term of this Agreement, the Foundation agrees to raise funds for the benefit of North East ISD teachers, which are ultimately geared toward allowing them to improve the instruction and educational services they provide to students, as well as promote North East ISD programs consistent with the District's educational mission. The Foundation further agrees to contribute funds raised by the Foundation for activities and programs benefiting North East ISD teachers, as determined by the Foundation's Board of Directors, so that they can provide students with better instructional and educational opportunities in the classroom.

ADMINISTRATIVE SUPPORT:

- B. To facilitate the Foundation's activities to benefit its teachers and students, North East ISD agrees to provide administrative support for Foundation activities at such levels as North East ISD shall determine (in consultation with the Foundation) what is appropriate. Such administrative support shall include providing office space for the Foundation, providing management and clerical assistance through the services of certain North East ISD employees as outlined in this Agreement, and providing budgetary assistance for expenses directly associated with the Foundation's fundraising activities. By signature of the authorized person(s) below, the North East ISD Board of Trustees expressly recognizes the educational purpose of the administrative support costs incurred in connection with this Agreement as necessary and beneficial to its teachers, students, and community.

REPORTING:

- C. The Foundation shall provide North East ISD with an annual written report detailing the Foundation's activities and programs for the benefit of North East ISD teachers, students, and its community during the year and the value of such activities and programs. The report shall be due each fall semester, following the end of the Foundation's fiscal year. The Foundation intends that the value of its activities benefiting North East ISD will exceed the cost of North East ISD's administrative support of the Foundation.

RIGHT TO TERMINATE:

- D. North East ISD administrative support shall be a commitment from current revenue within North East ISD's then-current annual budget. Renewal of this Agreement will be in accordance with Texas Local Government Code § 271.903, or similarly applicable law, concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Agreement, North East ISD shall have the right to terminate this Agreement without default, penalty, or liability, effective as of the expiration of each District budget period if determined, in North East ISD's sole discretion, that there are insufficient funds to extend this Agreement. Either party may terminate this Agreement

based on material breach by the other party, following the provision of thirty (30) days written notice and opportunity to cure. In the event the Foundation shall ever cease to provide funding, fundraising, or other assistance required of it to North East ISD in its role as a supporting organization for North East ISD under Section 501(c)(3) of the Internal Revenue Code, the close collaborative relationship between the Foundation and North East ISD as defined in this Agreement shall conclude. At that time, the Foundation may still support North East ISD at its discretion in accordance with applicable governing law applicable to 501(c)(3) and educational foundations under Texas and/or federal law, but North East ISD shall have no further obligations to the Foundation under this Agreement or otherwise.

AUDITING:

- E. The Foundation agrees to have an annual audit performed in accordance with its Bylaws and agrees to provide a copy of such audit to North East ISD.

BOOKKEEPING:

- F. The Foundation will maintain separate accounting books as an independent and legally separate entity from North East ISD.

NONPROFIT STATUS:

- G. The Foundation will maintain its status as an organization described in Section 501(c)(3) of the Internal Revenue Code as a supporting organization for North East ISD and shall notify North East ISD in writing immediately in the event of any change in the Foundation's tax status.

III. INDEPENDENCE AND CONTROL

- A. All North East ISD staff who provide administrative support for the Foundation under this Agreement always remain employees of North East ISD under the direct supervision and control of the Superintendent (or the Superintendent's designee) and are subject to all laws, rules, regulations, policies, and procedures applicable to North East ISD employees. The Superintendent (or Superintendent's designee) and the North East ISD Foundation Board will each evaluate the Executive Director's job performance annually.
- B. The Foundation will consult with the North East ISD before accepting any gift for the benefit of the District that contains restrictive terms or conditions.
- C. The Foundation will have the right to refuse any contribution or donation, or gift that comes from a source which, in the determination of the Foundation Board of Directors, is not in concert with the Foundation's mission or standards.

D. The Foundation will seek its own independent legal counsel in all matters requiring legal advice between the Foundation and the District when there is a potential conflict of interest between the two parties.

IV. RENEWAL TERM

Upon consideration by the parties to this Agreement, as evidenced by their respective authorized representatives' signatures below, this Agreement is renewed effective July 1, 2025 through the end of the Foundation's fiscal year on June 30, 2028 ("Renewal Term"). Should the parties wish to renew the Agreement thereafter, they may do so through a signed written document expressing intent to do so, after which the Agreement will renew for another one-year period, with any subsequent renewals using the same process ("subsequent Renewal Term"). Any such renewal documents should be attached to this Agreement. Should either party choose not to renew this Agreement, it needs simply to provide written notice to the other party no later than sixty (60) days before the end of the then-current renewal period.

GOVERNING LAW:

This Agreement shall be governed and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for all disputes shall be in Bexar County, Texas.

V. CONFIDENTIALITY

To the extent permitted by law, the parties shall maintain the confidentiality of records and information shared pursuant to this Agreement which is designated as confidential by the other party. The Foundation acknowledges that the Family Educational Rights and Privacy Act ("FERPA"), 20 U.S. Code § 1232g, governs the privacy and confidentiality of educational records and students' personally identifiable information. The Foundation agrees to maintain the confidentiality of FERPA-protected information and abide by FERPA, as applicable, including but not limited to not disclosing FERPA-protected information to any third party without the written authorization of North East ISD and the individuals to whom the rights under FERPA rest (e.g., parents and/or students over 18).

Any written or electronic records of the Foundation, such as donor lists, that are not required to be shared with the North East ISD under this Agreement or by applicable law shall remain the exclusive property of the Foundation, which, as a 501(c)(3) organization is not a public or governmental entity subject to the Texas Public Information Act. As such, the North East ISD does not have ownership or control over such records.

The Foundation acknowledges that North East ISD is subject to the Texas Public Information Act and waives any claim against and releases North East ISD, its officers, and employees, or agents

with respect to disclosure of information provided pursuant to this Agreement as required by the Texas Public Information Act.

IN TESTIMONY OF WHICH this Agreement in multiple originals, each of equal force, has been executed by authorized representatives of both parties pursuant to resolutions adopted by their respective Boards.

NORTH EAST ISD

Name: 
Title: North East ISD Board of Trustee President

Date: 6.9.2025

NORTH EAST EDUCATIONAL FOUNDATION

Name: Kimberly Prater
Title: North East Educational Foundation Chair

Date: 6-9-2025