

MEMORANDUM OF UNDERSTANDING
**Denton Independent School District and
Denton Public School Foundation, Inc**

This Memorandum of Understanding is entered into by and between the **DENTON INDEPENDENT SCHOOL DISTRICT** ("the District") and the **DENTON PUBLIC SCHOOL FOUNDATION INC.** (the "Foundation"), desiring to memorialize the nature of their relationship, ratify and approve past activities and mutually acknowledge, for the future, the respective obligations and rights of the parties.

RECITALS:

Whereas, the District is a Political Subdivision of the State of Texas and is exempt from taxation; and

Whereas, the Foundation is an independent nonprofit corporation organized under the Texas Non-Profit Corporation Act, and exempt from taxation pursuant to the Internal Revenue Code 501(c)(3); and

Whereas, the District has the authority to enter into contracts as are necessary for the efficient management of the District; and

Whereas, the Foundation is organized and operated exclusively for educational purposes and to receive and disburse funds, property and gifts of any kind exclusively for the benefit of the District, its teachers, and students; and

Whereas, the parties desire to formalize their relationship to achieve an efficient coordination between them to advance the District's public purposes and to foster the educational and cultural programs and services of the District;

Now therefore, in consideration of the mutual covenants, promises and conditions herein contained, the District and the Foundation agree as follows:

- A. Public Purposes: The Foundation and the District have identified the following educational public purposes for District's support of the Foundation:
1. The Texas public school finance system continues to underscore the need for the District to seek alternative sources of supplemental funding in order to continue and enhance its quality education programs.
 2. Increased alternative sources of supplemental funding require strong community support, including organizations such as the Foundation.
 3. Strong community support to assist the District in maximizing such sources that further the public purposes of the District requires reciprocal commitment and support from the District.
 4. The District gains from the cooperative use of approved District resources in support of the Foundation and its activities, including awarding student scholarships, grants to teachers and grants to campuses.

5. Continued progress increasing alternative sources of supplemental funding through the Foundation requires the District's continued commitment.
6. Community involvement in raising money for educational programs achieves a concurrent psychological and philosophical investment in the District.
7. The Foundation is a nonprofit education corporation organized in Denton County for educational and charitable purposes that directly benefits the District.
8. The community's legitimate expectation is that the District supports the Foundation through the Foundation's limited use of District facilities, equipment and personnel.
9. The community realizes a convenience in having the District allow use of its facilities by the Foundation.
10. Solicitations of incremental funding by Foundation directors and personnel relieve the fundraising burden of the District's Superintendent, administrators, teachers and staff, leaving them free to focus on the District's educational mission.
11. Funds raised by the Foundation will be used for the betterment and improvement of the District's educational programs and other educational purposes.

B. **District's Commitment:** The District, subject to the Board of Trustees' determination that sufficient local funds, facilities, and equipment are available, and that the Foundation continues to fulfill District educational purposes and provide commensurate benefits to the District and its students, agrees to provide the following to the Foundation:

1. One (1) part-time and one (1) full-time, at-will, District employees to be assigned to work in support of the Foundation. Those employees will be the Executive Director and an administrative assistant. District local funds may be expended for those salaries, and associated employment expenses, both State and Federal, of these employees.
2. Office space and utilities for the employees of the District working for the Foundation; and
3. Reasonable and necessary office equipment and office supplies to be used by the District employees working to support the Foundation.
4. Cost of financial audit. For 2021 the cost is \$7,000.

The parties to this Memorandum of Understanding understand and acknowledge that the District is prohibited by law, and therefore cannot agree under any provision of the Memorandum, to compensate any of the District's employees in a manner that violates Article III, Section 52 of the Texas Constitution (or any other applicable laws of the State of Texas), including the prohibition against gifts of bonus, non-contractual payments to employees for services already rendered. The parties to this Memorandum understand, acknowledge and agree that the terms of employment and contracts, if any, between the

District and its employees, including the amount of compensation, payment, and term of employment, are within the sole authority and absolute and final discretion of the District and its Board of Trustees, and nothing in this Memorandum shall limit or impair that authority and discretion. Further, nothing in this Memorandum shall create rights or remedies, contractual or otherwise, for any entities or persons other than the District and the Foundation.

C. Responsibilities of Foundation:

The Foundation's responsibilities shall be the following:

1. To conduct its activities in such a manner as to maintain its status as a tax exempt, charitable organization under state and federal laws.
2. To use its best efforts to solicit, collect, invest and administer funds for the Foundation, which shall be used to enrich the educational environment of the District, its teachers and students.
3. To contribute more to the District than the value of the District's contribution to the Foundation as outlined above. If that ceases to be true, District funding may, in the sole discretion of the District Board of Trustees, either cease or be decreased for the coming fiscal year.
4. The Foundation agrees that District contributions shall be used to support the public purposes of the District. For purposes of this Memorandum of Understanding, amounts contributed to the District in any District fiscal year may include but not limited to (a) grants and scholarships for teachers and staff; (b) scholarships for graduating seniors; and (c) resources for campus and program enhancements.
5. The Foundation agrees that it will continue to recognize the District as the sole beneficiary of its solicitation program.

D. Controls:

The District and the Foundation agree on the following controls, to ensure that a proper public educational purpose is served:

1. The Foundation shall abide by all policies and procedures of the District related to facility and equipment use, personnel, public information, and all other applicable policies. To the extent required by law, the Foundation will comply with the provisions of Texas Government Code, Chapter 552, Public Information.
2. Upon the District's request, the Foundation agrees to provide the District immediate access to, and the right to copy or otherwise reproduce, all documents or records of any format concerning, involving or related to the Foundation's finances, and to permit and cooperate with an audit by the District at any time upon the District's request.

3. The Foundation shall provide a copy of the Foundation's IRS (Internal Revenue Service) Form 990 annually to the District, which shall reflect the District's contributions to the Foundation and which shall be reviewed against the District's accounting records to ensure accuracy.
4. The District shall determine each year, at the time of development of the District's budget, whether adequate consideration has been received from the Foundation in the previous fiscal year and will likely be received in the following fiscal year, to assist the District's Board of Trustees in determining the amount of District funding to budget for support of the Foundation for the coming fiscal year. Funds budgeted by the District shall be subject to and limited by any applicable laws of the State of Texas, the District's policies and procedures, and any District Board of Trustee actions related to the Foundation.
5. Each year the District will provide to the Foundation its appraised value of the equipment, facilities, funds, and supplies provided to the Foundation.
6. All District contributions shall be within the sole discretion of the District's Board of Trustees; shall be monitored by the District's Board of Trustees; and recorded in the District's accounting records as District resources provided to the Foundation in return for the Foundation's contributions to the District.

E. Personnel:

1. The Executive Director is under the joint supervision of the Foundation Board of Directors and the District Superintendent. The Executive Director shall follow all Policies and Procedures of the District and the Foundation. The Foundation Board of Directors will meet annually to evaluate the Executive Director's performance and salary. The Foundation Board of Directors will provide the Superintendent with a copy of the Evaluation. If the Superintendent disagrees with the evaluation, then the Superintendent and the Foundation President will meet to discuss any disagreements prior to it being delivered to the Executive Director. If the disagreements cannot be resolved, then the Superintendent shall have the final decision.
2. Any personnel who perform services on behalf of the Foundation are under the direct supervision of the Foundation's Executive Director. The Executive Director will be responsible for job performance, appraisals and job scope expansion. Upon request of the Foundation and consent of the District the Foundation may increase the salary of its wholly funded employees.

F. Term: The term of this Memorandum of Understanding shall be for a period of one year commencing on the effective date, subject to the automatic annual extension on the anniversary date of the effective date each year thereafter unless either party elects not to so extend by written notice to the other no later than 90 days prior to the anniversary date.

G. Termination: Either party may terminate this Memorandum of Understanding following the provision of reasonable notice to the other party.

- H. Entire Agreement: This Memorandum of Understanding constitutes the entire agreement between the parties pertaining to the subject matter of this Memorandum of Understanding and supersedes all prior or contemporaneous agreements and memorandums of understanding of the parties in connection with the subject matter. No modification of this Memorandum of Understanding shall be effective unless made in writing, and approved and signed by both parties.
- I. Governing Law and Venue: This Agreement shall be governed by the laws of the State of Texas and venue for any dispute hereunder shall lie in Denton County, Texas.
- J. Effective Date: The term "Effective Date" means the latter of the two dates on which this Memorandum of Understanding is signed by the District and the Foundation, as indicated by their signatures below.

The foregoing Memorandum of Understanding between the Denton Independent School District and the Denton Public School Foundation, Inc. was offered for approval on motion made by _____, seconded by _____, and after discussion was adopted by the Board of Trustees of the Denton Independent School District at a regularly scheduled meeting called, posted, and held in Denton, Denton County, Texas, on September _____, 2021, at which _____ Trustees were present, by the following vote: ____ For, ____ Against, and ____ Abstaining.

DENTON INDEPENDENT SCHOOL DISTRICT

Doug Chadwick, President
Board of Trustees

ATTEST:

Charles Stafford, Secretary

This agreement was accepted and agreed to by The Denton Public School Foundation, Inc. on the ____ day of _____, 2021.

DENTON PUBLIC SCHOOL FOUNDATION, INC.

By: _____
President, Foundation Board

Printed name: _____

ATTEST:

Secretary