



**OPERATING AGREEMENT**  
**between**  
**MONTANA STATE UNIVERSITY BILLINGS**  
**and**  
**MONTANA STATE UNIVERSITY BILLINGS FOUNDATION**

THIS AGREEMENT (“Agreement”), dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020 is by and between Montana State University Billings and the Montana State University Billings Foundation, a non-profit corporation, and is valid through January 31, 2022. The agreement supersedes the operating agreement between Montana State University Billings and the Montana State University Billings Foundation for the twelve month period ending December 31, 2020.

**RECITALS**

WHEREAS, Montana State University Billings (“MSUB”) is a unit of the Montana University System; and

WHEREAS, the Montana State University Billings Foundation (“Foundation”) d/b/a the Montana State University Billings Foundation and Alumni, is an independent corporation, incorporated in the state of Montana, organized under Section 501(c)(3) of the Internal Revenue Code, and governed by the Articles of Incorporation (06-21-05) and Bylaws (06-19-19) adopted by the Board of Trustees of the MSUB Foundation for the sole purpose of providing support to advance the students, faculty and staff of Montana State University Billings, consistent with the mission and priorities of Montana State University Billings;

WHEREAS, MSUB desires an association of alumni and friends and the Foundation agrees to operate an association for MSUB alumni and friends upon mutual acceptance of this operating agreement;

WHEREAS, MSUB recognizes the MSUB Foundation and Alumni as its sole affiliated foundation for the purposes outlined in Section 901.9 of the Montana University System Policy and Procedures Manual: “Campus-Affiliated Foundations”; and

WHEREAS, MSUB desires the financial support of private constituencies, and the MSUB Foundation and Alumni exists to cultivate lifelong relationships and secure private support to advance Montana State University Billings.

WHEREAS, MSUB and the MSUB Foundation jointly desire that the MSUB Foundation:

- Conduct its fundraising operations in a manner that is consistent with the mission and priorities of MSUB;
- Solicit, receive, hold, prudently invest, administer and manage funds (including both restricted and unrestricted gifts) consistent with the wishes of its donors, and to make expenditures to or for the sole benefit of MSUB, and with MSUB consent, manage selected University funds and other University resources to the extent permissible by law, provided that such University funds and resources remain identified in Foundation and University records as MSUB assets;
- Employ staff, including a Foundation President/CEO, who shall, as a critical part of his or her duties and responsibilities, communicate effectively and regularly with the MSUB Chancellor to ensure clear understanding of the MSUB Chancellor's funding priorities, and shall work cooperatively and diligently to advance those priorities, along with periodic requests for the campus made by the MSUB Chancellor, that can lawfully be fulfilled.
- Engage and nurture lifelong relationships with graduates, friends, parents, faculty, staff, retirees and other constituencies that seek a meaningful association with MSUB.

#### **TERMS OF AGREEMENT**

NOW THEREFORE, in consideration of the mutual covenants and commitments of MSUB and the Foundation (collectively, the "Parties") contained herein, the mutual benefits to be gained by the performance hereof, and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree to the following terms:

##### **1.0 MSUB Name, Seal and Logotype**

Consistent with its mission to help advance the plans, priorities, and objectives of MSUB, the Foundation is granted the use of the name Montana State University Billings and is granted the use of the University's seal, core logo, affiliated logos and marks according to the University's Graphic Identity and Branding Policy until such time as the Foundation dissolves, the Foundation ceases to be recognized as a tax exempt organization, or the MSUB Chancellor withdraws recognition of the Foundation consistent with Section 6.5.

##### **2.0 Relationship Between MSUB and the MSUB Foundation**

The relationship between the Parties is of paramount importance to the ongoing and future success of both MSUB and the Foundation. As such, the Parties are equally committed to developing and maintaining a close relationship through open communication, trust, and cooperation.

In furtherance of this relationship, the MSUB Chancellor and the Foundation

President/CEO shall meet regularly and communicate frequently to ensure the University's priorities, along with the duties and responsibilities outlined herein, are well-coordinated and achieved.

The MSUB Chancellor is responsible for communicating MSUB's priorities and long-term plans to the Foundation on a regular basis.

The Foundation shall support MSUB and respective programs through the services outlined in Section 4 (Foundation Responsibilities), to the extent allowed by law, unless the Parties agree otherwise and when modified by an amendment to this Agreement.

MSUB recognizes that the Foundation is a private, independent corporation with the authority to keep its records confidential, conduct its affairs under the direction of the Foundation Board, and fulfill its mission to support the University according to laws applicable to private, non-profit corporations.

The Foundation President/CEO shall also carry the title of Vice President for Advancement, a non-compensatory title. At the MSUB Chancellor's discretion, the Foundation President/CEO shall be included as a member of the Chancellor's executive cabinet, University council, and other appropriate teams as necessary to build, nurture, and maintain a deep and effective strategic partnership between MSUB and the Foundation.

Inclusion or and participation by the Foundation President/CEO in these councils, teams, or other groups by the MSUB Chancellor shall be for the purposes of strategic planning, communication, and cooperation between the Foundation and MSUB. Said inclusion and participation, as well as the title of Vice President for Advancement, shall not create an employment relationship, whether express or implied, between the Foundation President/CEO and MSUB. MSUB shall have no authority, express or implied, to hire, fire, or set the compensation for the Foundation President/CEO.

The Foundation President/CEO shall be accountable for effectively communicating with the MSUB Chancellor and campus leadership, timely and responsive reports on the University's funding priorities, including implementation plans and completion status, and alerting the MSUB Chancellor of significant decisions, relating to personnel or otherwise, that may impact the Foundation's work under this agreement.

The MSUB Chancellor shall serve as an ex-officio, non-voting member of the Foundation Board and shall assume a prominent role in appropriate constituent-related activities. As an ex-officio, non-voting member of the Board, the MSUB Chancellor shall be provided an opportunity to provide input and recommendations for Trustees for the Foundation Board.

The Foundation Board of Trustees is solely responsible for the control and management of all assets of the Foundation and is responsible to ensure that all gifts made to the

Foundation are managed prudently, consistent with donor intent, and according to all applicable laws.

The Foundation is solely responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that clearly address its Board of Trustee's fiduciary responsibilities, including expectations of individual board members based upon legal and ethical guidelines and policies.

The Foundation is solely responsible for the employment, compensation, and evaluation of its employees, including the MSUB Foundation President/CEO. The MSUB Chancellor shall be consulted as part of the normal evaluation process for the Foundation President/CEO.

The Foundation is responsible for various programs, services, and initiatives to strategically enhance and expand alumni engagement with MSUB ("alumni relations"). As part of this responsibility, the Foundation will oversee the operation of the MSUB Alumni events upon mutual acceptance of operating agreement.

### 3.0 MSUB Responsibilities

MSUB shall provide all services and attendant fees to the Foundation as outlined below:

- 3.1 **Funding Priorities.** At least annually, the MSUB Chancellor will communicate to the Foundation President/CEO the University's current private funding priorities. MSUB shall rely upon the Foundation, or its designee, to help assess the private funding feasibility of each. The Foundation shall diligently pursue MSUB's funding priorities and shall avoid activities that conflict with those priorities.
- 3.2 **Integrated Advancement.** MSUB will actively coordinate its communications, internal relations, and external relations activities with the Foundation to develop a culture within the University's students, faculty, alumni, and friends that encourages engagement and private support.
- 3.3 **Consideration.** In consideration for the Foundation's services including but not limited to the responsibilities listed in Section 4 (Foundation Responsibilities), MSUB will provide the Foundation with fair and reasonable payment for services as negotiated by the Parties. The consideration for this contract term is included as **Attachment A**.
- 3.4 **Donor, Alumni, and Constituent Related Activities.** MSUB shall support the Foundation's processes relating to philanthropic, alumni, and constituent related activities that seek and solicit private support and advocacy to benefit the University. The Parties shall coordinate to conduct these activities in compliance with each Party's applicable policies.

Additionally, MSUB recognizes the Foundation as having sole responsibility for the constituent related activities described in this Agreement, on behalf of the University and certain affiliated campuses. The MSUB Chancellor, deans, directors, appropriate administrators, other University officials, and University-selected or University-sanctioned volunteers shall work in conjunction with the Foundation administration and staff to cultivate relationships, coordinate efforts, and secure private support.

- 3.5 **Provision of Data.** When and to the extent allowed by law, MSUB shall provide to the Foundation any constituent or other data reasonably requested by the Foundation and upon demonstration of necessity by the Foundation for the maintenance and support of the Foundation's efforts under this Agreement.
- 3.6 **Other Services.** MSUB will also provide other services at a mutually agreed upon rate. If the Foundation requires additional or external services, MSUB and the Foundation may agree to terms relating to such services under a separate agreement. Those services include but are not limited to, information systems and technologies, property security, custodial services, facility maintenance, and special events.

#### 4.0 Foundation Responsibilities

- 4.1 **Alumni and Volunteer Relations.** The Foundation shall be responsible for various programs, services, and initiatives to strategically enhance and expand alumni engagement with the University ("alumni relations") and to enhance and expand volunteer advocacy in support of the University ("volunteer relations").
- 4.2 **Donor Relations.** The Foundation shall be responsible for various programs, services, and initiatives to strategically enhance and expand donor engagement with and private support for the University ("donor relations").
- 4.3 **Event Services.** The Foundation shall provide event planning and management services in support of the Foundation's programs. The Foundation may coordinate events planned by and/or hosted by other University-related offices when those events are in support of alumni engagement or donor relations.
- 4.4 **Withdrawal of funding:** Any potential withdrawal of funding for an ongoing campus activity will be discussed with the MSUB Chancellor and Foundation President/CEO prior to the Foundation making a final decision on any potential withdrawal of funding.
- 4.5 **Communications Services.** The Foundation shall provide constituent-related communications services to MSUB upon request and when related to the Foundation's efforts and activities.
- 4.6 **Gift Acceptance and Acknowledgment.** The Foundation will establish, adhere

to, and periodically assess its gift acceptance and fund management policies and procedures. The Foundation will promptly acknowledge and issue receipts for all assets given to the Foundation and provide appropriate recognition and stewardship of such support.

- 4.7 **Constituent Records.** The Foundation shall establish and enforce policies and procedures to comply with all applicable laws and regulations and to protect the confidentiality of the Foundation information and the reasonable expectation of privacy attendant to constituent data.
- 4.8 **Asset Investment.** When MSUB deposits funds with the Foundation for investment purposes, the Foundation may comingle those funds with the Foundation's funds and other funds held by the Foundation in a pooled investment portfolio ("pooled investments"). In doing so, it is mutually understood that:
- A. MSUB retains ownership of University funds;
  - B. the Foundation is authorized to invest the University funds in the same manner as other Foundation funds;
  - C. University funds are subject to the Foundation's administrative fees in accordance with the Foundation's fund administration policies;
  - D. University funds may be pooled with the Foundation's institutional funds and other funds for the purpose of participating in the pooled investments;
  - E. there is no trust relationship between MSUB and the Foundation, express or implied;
  - F. pooled investments are invested in accordance with the Foundation's investment policy;
  - G. there is an inherent risk involved with investing that is beyond the control of the Foundation, including the potential for loss of the University's principal in the initial investment, loss of subsequent deposits, loss of interest or appreciation, and loss of other financial gains;
  - H. neither party is obligated to offer or accept investment advice to or from the other party;
  - I. the Foundation has not and does not hold itself out as an investment advisor or as a professional investment corporation; and
  - J. MSUB representative for all matters relating to the investment of University funds by the Foundation is the MSUB Chancellor or his or her designee.

For all University funds invested by the Foundation, the Foundation shall provide periodic summaries and confirmations of balances of University funds as may be requested or required. The Foundation shall make its fund administration and investment policies publicly available and provide MSUB an opportunity to provide feedback on any proposed policy change.

Upon written notice from an authorized University administrator requesting withdrawal of University funds from the pooled investments, the Foundation will withdraw the funds within a reasonable length of time such that removal of the

funds may be completed without adversely affecting the remaining investment portfolio.

- 4.9 **Asset Management.** The Foundation will establish and, from time to time, modify asset allocation, disbursement, and spending policies and procedures that adhere to all current and future applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as amended or modified from time to time.

The Foundation will receive, hold, manage, invest, and disburse contributions of cash, securities, and other forms of property, including the immediate investment of gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.

- 4.10 **Fund Administration and Distribution.** The Foundation will administer private gifts to benefit MSUB and will transfer funds to the designated entity within MSUB in compliance with applicable laws, University policies, fund agreements, and donor restrictions.

Per the Foundation's Disbursement Policy, the Foundation's disbursements on behalf of MSUB must be for reasonable expenses that support the University and its programs, are consistent with donor intent, and do not conflict with any applicable laws and regulations.

When establishing a new fund, the Foundation will disclose to the University any terms, conditions, or limitations legally imposed by the donor or legal determination on the gift. MSUB will abide by such restrictions and provide appropriate acknowledgment of such terms, conditions, or limitations and documentation of compliance.

- 4.11 **Provision of Financial Data.** The Foundation will engage an independent accounting firm annually to conduct an audit of the Foundation's financial records and will provide MSUB with a copy of the annual audited financial statements no later than 01 October of each year, as required by Board of Regents' Policy 901.9. Other data shall be provided from time to time to enable MSUB to complete its audited financial statements and fulfill information requests by credit rating agencies. Such information includes but is not limited to the Foundation's asset allocation breakdown and investment performance, as well as an annual, detailed listing of payments made from the Foundation to MSUB.

- 4.12 **Funding of the Foundation Operations.** The Foundation is responsible for establishing a financial plan to pay the costs of the Foundation programs, operations, and services. In addition to the consideration for the services provided under this Agreement, the Foundation has the right to impose reasonable gift and management fees. The Foundation shall provide MSUB of any change in gift and

management fees in a timely manner.

Except as outlined herein or as otherwise agreed, the Foundation, at its own expense, will recruit, employ, and retain personnel and provide office space, computer and telephone systems, utilities, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.

- 4.13 **Other Responsibilities.** With the explicit approval of the Foundation Board of Trustees, the Foundation may from time to time serve as an instrument for entrepreneurial activities for MSUB including but not limited to the purchasing, developing, or managing of real estate for the University, as well as University-related improvements or expansion.

The Foundation may accept licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by third parties, or engage in other activities to increase the Foundation revenue consistent with its mission.

From time to time, the Foundation may agree to undertake, for a fee, at the request of MSUB Chancellor, a major fund-raising campaign extraordinary to the established day-to-day activities of the Foundation.

Based on budget allocation, Foundation Grants will be awarded to MSUB faculty/staff for student-centered projects. The Provost and Chancellor at MSUB will initially review and make recommendations to Foundation Board sub-committee. Foundation Board Trustees will then establish a sub-committee quorum and vote on funding approval. Final decision will incorporate application's merit, feedback provided by MSUB Leadership, funding available, and Foundation mission and strategic initiatives.

- 4.14 **Subsidiaries and Separate Units.** The Foundation may, from time to time, establish subsidiaries and separate units for specific purposes consistent with this MOU. The Foundation will establish controls and/or management oversight to ensure the mission and goals of the Foundation are supported by all units and subsidiaries of the Foundation.
- 4.15 **Salary Supplement.** No salary supplements for an MSUB Chancellor will be underwritten by the Foundation without the approval and public disclosure by the Board of Regents.
- 4.16 **Compliance.** In fulfilling these obligations, the Foundation shall comply with applicable state and federal law and its own policies and procedures, including maintenance of bylaws, a conflict of interest policy approved by the Board of Regents and a whistleblower policy for board members, staff, and volunteers and adherence to the requirements of Section 901.9 of the Montana Board of Regents of Higher Education Policy and Procedures Manual.



- 4.17 **MSUB Foundation and OGSP.** Donors and gifts to MSUB are to be directed to the MSUB Foundation, while sponsored programs and grants are the responsibility of MSUB's Office of Grants and Sponsored programs. **Attachment B** contains a description to assist in determining under which category a receipt of funds lies. In seeking external funding, university faculty and staff shall coordinate their activities with the appropriate university entity.

If there is a question regarding classification of external funding as to grant, contract or gift and who should have primary responsibility for the management and reporting thereof, the MSUB Chancellor (or designee) will resolve the issue.

Gifts which are accepted by the MSUB Foundation are accepted and monitored in accordance with Foundation policies and applicable laws governing non-profit 501(c)3 entities. Gifts which are accepted by MSUB are accepted and monitored in accordance with university guidelines and Board of Regents' Policy 901.7-Donations. University leadership and staff must collaborate with the MSUB Foundation to ensure that funds are expended in accordance with donor intent, as required by law.

## 5.0 Confidentiality and Access to Information by Other than Foundation Employees

The Foundation will provide access to all public documents of the Foundation including:

- 5.1 Policies and procedures documentation, including:
  - A. Gift Acceptance Policy,
  - B. Investment Policy,
  - C. Disbursement Policy, and
  - D. Other relevant accountability policies
- 5.2 Organizational documents, including articles of incorporation and corporate bylaws;
- 5.3 Audited financial statements; and
- 5.4 Form 990, Return of Organization Exempt from Income Tax.

The Foundation maintains that confidential information, which is not available for public inspection includes, but is not limited to, the following:

- 5.5 Information relating to Foundation constituents:
  - A. Contact information including, but not limited to, addresses, phone numbers, and email addresses;
  - B. Records and portions of records that disclose personal, financial, estate planning or gift planning matters;
  - C. Records and portions of records regarding a prospective gift or pledge;
  - D. Records and portions of records regarding the appropriateness of a solicitation

and/or dollar amount of a gift or pledge;

- E. Record and portions of records disclosing the identity of an alumnus, donor, or prospective donor or that could identify an alumnus, donor, or prospective donor, directly or indirectly, when such donor has requested anonymity in connection with a gift or pledge. This does not apply to a gift or pledge from a publicly held business corporation.
- 5.6 Information relating to fundraising plans and strategies;
  - 5.7 Trade secret information and information relating to the business of any Foundation subsidiary which, if released, could create a competitive disadvantage;
  - 5.8 Foundation employee information including, but not limited to, compensation and benefits, except as required by law;
  - 5.9 Individual student information not otherwise exempted;
  - 5.10 Information relating to trusts and annuities administered by the Foundation, except as to actual gifts to the Foundation from such a trust or annuity; and
  - 5.11 Other information protected by law.

When necessary or beneficial to the efficient execution of the Foundation activities, the Foundation may provide access to the Foundation data and records to select University personnel on a limited, need-to-know basis in accordance with applicable laws and Foundation policies and guidelines. Providing such access shall not negate the confidential nature of the Foundation's information and records or the classification of such information and records as trade secrets. Additionally, providing such access does not undermine the reasonable expectation of privacy of donors, prospective donors, or any other individual or entity with respect to the information provided to and/or maintained by the Foundation. Any individual, including anyone not employed by the Foundation, with access to Foundation data, records, and information, shall be held to the highest standard of confidentiality, shall sign a confidentiality agreement specifically governing such access, and shall adhere to all relevant Foundation policies and processes regarding the acceptable use of data and information.

- 5.12 If a public records request is made of any University official or employee for any information the Foundation deems confidential, even where there is a signed confidentiality agreement with the Foundation as outlined in 5.11, MSUB will give the Foundation twenty (20) business days' notice of the request so that the Foundation can seek a protective order. If a protective order is not secured and the matter not resolved by the Foundation with the requestor, MSUB may release any relevant requested records without any legal liability to the Foundation.

## 6.0 Other Matters

- 6.1 **Winding Up Upon Dissolution.** Consistent with the provisions of the Bylaws and Articles of Incorporation of the Foundation, should the entity cease to exist or cease to be an IRC § 501 (c)(3) organization, it will transfer its assets and property to MSUB or the assignee chosen by the University. Any transition to MSUB or its assignee will occur on an agreed upon reasonable timetable designed to minimize donor disruption and any potential tax issues. If a time table cannot be agreed upon within the first ninety (90) days of a termination notice as outlined in section 6.5 the matter will be resolved through mandatory mediation using a mediator from the American Arbitration Association. For purposes of this section, a corporate reorganization, merger, or consolidation or a renaming of the Foundation shall not constitute a cessation of existence provided the Foundation, or its successor, is recognized as the affiliated foundation of Montana State University Billings for the purposes outlined in Section 901.9 of the Montana University System Policy and Procedures Manual.
- 6.2 **Regent's Approval.** This Agreement is not effective until approved by the Montana Board of Regents. The Parties agree and understand that this Agreement will be reviewed and approved by the Board of Regents every two (2) years. The Parties agree and understand that this Agreement will be in effect from the following dates: \_\_\_\_\_, \_\_\_, 2020 through January 31, 2022.
- 6.3 **Liability Exposure.** The Parties understand and agree that the liability of MSUB, its officials and employees, is controlled and limited by the provisions of Title 2, Chapter 9, of the Montana Code Annotated. Any provisions of this Agreement shall be controlled, limited and otherwise modified to limit any liability of the State of Montana and the University to that set forth in the above-cited law.
- 6.4 **Responsibilities of Parties**
- A. Each party agrees to be responsible and assume liability for its own wrongful or negligent acts or omissions, or those of its officers, agents or employees, to the full extent required by law.
  - B. Each party agrees to maintain reasonable coverage for such liabilities either through commercial insurance or a reasonable self-insurance mechanism, and the nature of such insurance coverage or self-insurance mechanism will be reasonably provided to the other upon request.
- 6.5 **Termination**  
This Agreement may be terminated at any time by the mutual written consent of the Parties or termination may be invoked by either party upon six (6) months written notice to the other.

For reasonable cause, The Montana State University Billings Chancellor may

withdraw recognition of the Foundation as the affiliated foundation of Montana State University Billings after consultation with the Commissioner of Higher Education and written notice to the members of the Montana Board of Regents. The decision to withdraw recognition of the Foundation may be appealed to the Montana Board of Regents under Section 203.5.2 of the Montana Board of Regents of Higher Education Policy and Procedures manual.

In the event of termination, the University’s financial obligation shall end six (6) months after the termination notice is received or on the last day of the fiscal year in which termination occurs, whichever is later. If necessary, to ensure a smooth transition of the assets, the former deadlines may be extended by the University as outlined in section 6.1. In the absence of termination notice, this Agreement shall be automatically renewed year to year under the same terms as set forth in this Agreement.

This Agreement supersedes the previous Memorandum of Understanding or Operating Agreements by and between parties, or other documents defining and/or controlling the relationship between the Parties or approved by the Board of Regents.

The Parties have caused this Operating Agreement to be executed by their duly authorized officers as of the date set forth below.

Signed and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by:

**MONTANA STATE UNIVERSITY BILLINGS**

**MONTANA STATE UNIVERSITY BILLINGS  
FOUNDATION**

d/b/a Montana State University Billings  
Foundation and Alumni

By: \_\_\_\_\_  
Dan Edelman  
MSUB Chancellor

By: \_\_\_\_\_  
Bill Kennedy  
MSUB Foundation President/CEO

By: \_\_\_\_\_  
Susan Simmers  
MSUB Vice Chancellor for Finance

By: \_\_\_\_\_  
Donna Fredericks  
MSUB Foundation Board Chair

## Attachment A

### Compensation for Services Agreement

MSUB and the MSUB Foundation, hereby agree that the direct compensation to be paid by the University to the Foundation for services provided as outlined in Section 4.0 of this Operating Agreement between Montana State University Billings and Montana State University Billings Foundation dated \_\_\_\_\_ shall be as follows:

Total for FY 2020: **MSUB Foundation and Alumni  
Operating Agreement for Services**      \$ 185,000.00

Services Provided by MSUBF to MSUB

- A. Up to 8 Alumni Donor Events  
(Athletic Events, BBQ's and Socials, Golden Graduates)
- B. Business Hall of Fame Event
- C. Science Programming  
(Girls in Science, Science Expo, Atomic Circus)
- D. Alumni Awards
- E. Grant Services
- F. Jacket Day of Giving

Total for FY 2021: **MSUB Foundation and Alumni**      \$ 185,000.00 plus \* COLA  
**Operating Agreement for Services**

Services Provided by MSUBF to MSUB

- A. Up to 8 Alumni Donor Events  
(Athletic Events, BBQ's and Socials, Golden Graduates)
- B. Business Hall of Fame Event
- C. Science Programming  
(Girls in Science, Science Expo, Atomic Circus)
- D. Alumni Awards
- E. Grant Services
- F. Jacket Day of Giving

\*Cost of Living will be calculated based on change of standard CPI from previous fiscal year; from July 1, 2020 to July 1, 2021.

Two year contract cycle: 2020 and 2021

One-half (1/2) of the annual payment due to the MSUB Foundation will be paid by MSUB on July 5 and one-half (1/2) on January 5 of the respective academic years.

## Attachment B



	<b>Grants</b>	<b>Gifts</b>
	<p>Office of Grants and Sponsored Programs Tax Exempt per IRS 170 (c)(1)</p> <p>Administrative Fees Vary 0-x% (according to F &amp; A Policy)</p>	<p>MSUB Foundation Charitable per IRS 501(c)(3)</p> <p>Standard gift fee of 5% unless otherwise noted differently by funder</p>
<b>Definition</b>	<p>Grants provide external funds using an agreement for transfer of money or property from a sponsor in exchange for specific services, often including rights to and products derived from the services, technical reporting and financial accounting as to the use of funds. Agreements are enforceable, with defined performance time frame, audits and revocability of funds.</p>	<p>Gifts are voluntary and irrevocable transfers of money for unrestricted or restricted use with no formal commitment of resources or services other than the committing to use the gift as the donor specifies. Includes donors requiring a charitable fiscal sponsor. May require courtesy reporting and minimal financial reporting.</p>
<b>Donor - Sponsor Funder - Granting Agency</b>	<p>All Government funds are treated as grants. Depending upon the grant terms, private foundations and for-profit entities can sponsor grants. For example, grants given for research based work by a faculty member.</p> <p>Where work scope includes human subjects, PI consultation, direct benefit to proprietary interests, detailed financial reporting, publication restrictions, rights to assets, subcontracting, insurance, indemnification, hold harmless, remedies, confidentiality – it's a grant!</p>	<p>Individuals, private foundations and for-profit entities making a gift, donation or contribution that is charitable as reflected by the absence of any quid pro quo are gifts.</p> <p>Typically support endowments, capital projects, general student financial assistance, the arts, or university projects and programs.</p> <p>Award includes few terms beyond general intent. Stipulations are reasonable and serve to support the desired area of interest of the donor.</p>
<b>Proposal Process</b>	<p>Initiated by sponsor, staff or faculty members – often in response to an RFP or Call for Proposal</p>	<p>Initiated by donor (many are by invitation only), development officer or faculty.</p>
<b>Terms</b>	<p>Contractual. Transactional. Period of Performance. Financial and Technical Reporting. Defined Scope of Work.</p>	<p>No expectation of return benefit. Award letter or gift agreement. Gift is irrevocable, and donor relinquishes right to reclaim the award.</p>

<b>Scope of Work</b>	Defined Scope of Work. Written agreement includes T&C's and definition of goods and services provided by MSUB.	Broad general intent. Donor's Intent as agreed upon.
<b>Fund Administration</b>	Deposited to university account and administered by MSUB. Grant often provides specific funds for salaries or wages through University Payroll. Sponsor can audit.	MSUB Foundation Receives. MSUB requests reimbursement after expenditure. Rare audit provisions or requirement to report detailed budgets.
<b>Reporting</b>	Specific requirements.	Limited reporting, typically narratives for stewardship purposes, but may include outcomes. Some financial reporting.
<b>Key Words</b>	Transactional. Audit. Revocable. Human Subjects. Technical Detailed Progress Reports. Timeline. Government. Research.	Charitable. Gift. Individual. Endowment. Irrevocable. Completion Reporting.

\*Exceptions – Montana Health Care Foundation views MSUB and MSUB Foundation as separate entities allowing us to submit two applications per cycle.