

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between the Board of Trustees ("ISD Board") of the Muenster ISD ("the "District") and the Board of Directors ("Foundation Board") of the Muenster ISD Education Foundation (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.

- A. Public Purposes: The Muenster ISD Board of Trustees has identified the following educational public purposes for the Muenster ISD's support of the Foundation:
1. Because of the uncertainty and restrictions inherent in the Texas public school finance system, the District must seek alternative sources of revenue in order to continue and/or enhance its quality education programs.
 2. Maximization of alternative revenue sources requires strong community support.
 3. Strong community support to assist the District in maximizing alternative revenue sources requires reciprocal commitment and support from the District.
 4. The District has realized potential gains from its investment in the Muenster ISD Education Foundation.
 5. The Foundation may provide numerous donations that benefit ISD students, staff, and instructional programs.
 6. Continuation of the momentum achieved in maximizing alternative revenue sources through the Foundation requires a continual commitment from the District.
 7. Community involvement in raising money for educational programs achieves a concurrent psychological and philosophical investment in the school district.
 8. The community's legitimate expectation is that the District supports the Foundation through the Foundation's limited use of 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 additional revenue by Foundation directors and personnel relieves the fund-raising burden of the District's Superintendent, administrators, teachers and staff, leaving them free to focus on the District's educational mission.
 11. All additional revenues obtained by the Foundation will be provided by the Foundation for the betterment of the District's educational programs.
 12. It is essential that the District have oversight over any individual who represents the District or the Foundation in seeking additional revenue sources.
- B. Commitment: The Muenster ISD Board agrees to continue to provide the following to the Foundation, provided that the public school purposes continue to be met and the controls continue to be implemented, and subject to the Muenster ISD Board's continuing right to refuse to appropriate the necessary funds in any budget year. All Muenster ISD contribution amounts shall be within the sole discretion of the Muenster ISD Board of Trustees, which contribution

shall be monitored by the Muenster ISD Board and recorded in the Muenster ISD accounting records as donations to the Foundation.

1. All or a portion of the salary and benefits for the employees of the District serving the Foundation.
2. Office space facilities and utilities for the employees of the District serving the Foundation.
3. All or a portion of the equipment and office supplies used by the employees of the District serving the Foundation.

C. Responsibilities of Foundation:

1. The Foundation agrees that, during the term of this Memorandum of Understanding, the Foundation will use its best efforts to solicit, collect, invest, and administer funds for the Foundation, which shall be used to enrich and enhance the educational environment of the District.
2. The Foundation agrees that, in each of the Foundation's fiscal years, the Foundation shall contribute more to the District than the value of the District's limited support to the Foundation. For purposes of this Agreement, amounts contributed to the District in any fiscal year shall include all grants to teachers, educational programs, and all payments to an endowment fund made in that fiscal year, but shall not include monies deposited into retained earnings until those retained earnings are spent for the benefit of the District through a teacher grant, educational program, or endowment payment.
3. The Foundation agrees that it will continue to recognize the District as the sole beneficiary of its solicitation program.
4. The Foundation has fiduciary responsibility for the operation of the Foundation and the authorization of the expenditures of funds.
5. The Foundation shall collect and authorize such funds to be used for educational projects in alignment with the District's strategic plan and institutional priorities.
6. The Foundation shall conduct its activities in such a manner to maintain its status as a tax exempt, charitable organization under state and federal laws.
7. The Foundation shall consult with the District before accepting any gift for the benefit of the District that contains restrictive terms or conditions.

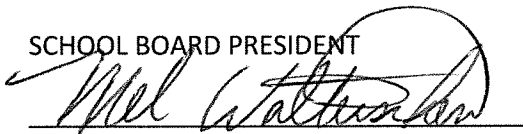
D. Controls: The School Board and the Foundation board agree on the following controls, to ensure that a proper educational purpose is served by this arrangement:

1. The Foundation shall provide the School Board with an annual report, which shall be presented to the School board at a public School Board meeting.
2. 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. However, the Foundation may purchase and sell alcohol and/or alcoholic beverages at or in

3. support of its fundraising events which are held at facilities other than those owned by the District.)
4. The Foundation shall provide an IRS Form 990 annually to the District's Superintendent or designee, which shall reflect the District's contributions to the Foundation and which shall be reviewed against the District's accounting records to ensure accuracy.
5. The Foundation understands that, as a result of the District's investment in the Foundation, the documents of the Foundation are subject to the Texas Public Information Act, absent any specific exemption, and the Foundation agrees to abide by the Texas Public Information Act.

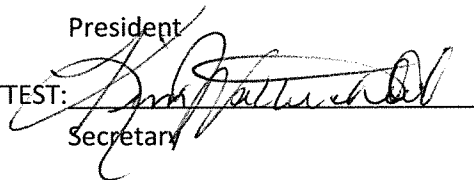
AGREED TO this 15th day of June, 2016.

SCHOOL BOARD PRESIDENT



President

ATTEST:

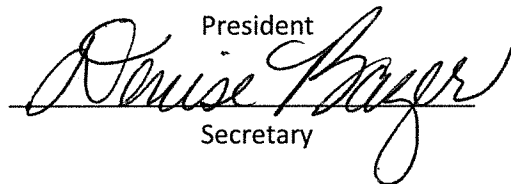


Secretary

EDUCATION FOUNDATION



President



Secretary

