



Foundations Memorandum of Understanding (MOU)

December 11, 2025

Background & Purpose

Background

The foundation is a nonprofit 501(c)(3) supporting district programs exclusively.

MOU Development & Effect

The MOU incorporates findings from the 2025 CWDL audit completed on July 18, 2025.

The MOU would take effect February 1, 2026
(revised from first draft).

MOU Overview (Audit Finding #1)

- Facility Use and Rental Fees (Audit Finding #7)
- Financial Reporting and Oversight (Audit Finding #2, 8, 9, 12, 16)
- Foundation Operating Policies (Manual) (Audit Finding #3)
- Expenditure Control (Audit Finding #4)
- Fee Allocation (Audit Finding #5)
- Donation Allocation (Audit Finding #5)
- Records, Disclosure, and Controls (Audit Finding #4, 6, 8, 9, 16)

Facility Use and Rental Fees

Audit Finding #7

- District Authority of Facility Use
- Prohibition of Independent Fee Collection
- Foundation Role in School-Affiliated Camps, Clinics, and Fundraisers

District Authority of Facilities Use



All facility use falls under the **Civic Center Act** (Education Code §§ 38130–38138) and **Administrative Regulation 1330**.



The District retains full authority over scheduling, fee setting, and approval of facility use.



The Foundation acknowledges that it is not authorized to set, impose, or collect facility rental fees for use of District property.

Prohibiting Independent Fee Collection




The Foundation shall not charge any organizations, individual, or third party for use of District facilities.

Fees are paid directly to the District, not to the Foundation.




All facility requests must go through the District's official application system (**Facilitron**).

School-Affiliated Camps, Clinics, and Fundraisers

 When the Foundation facilitates, organizes, or supports a camp, clinic, or other fundraising activity that benefits a school-affiliated team, club, or program, the Foundation may reserve District facilities on behalf of such activity.

In these instances, the Foundation must reserve through Facilitron on behalf of the camp, clinic, or fundraiser, and the facility use fee will be waived (revised from first draft).

 Every third-party agreement request must include:

- A written agreement with any third-party organizer, including **indemnification** of the District.
- Proof of **insurance** naming the District as an additional insured.

 School or school-related activities always have **first priority** for scheduling.

 All uses must have District Office or Site Administrator approval before being finalized.

Financial Reporting and Oversight

Audit Finding #2, 8, 9, 12, 16

- Authority
- Guidelines for Reports
- Schedule

Audit Authority and Reporting Guidelines

 The District has the right to audit the Foundation's financial statements and records **at any time**. This includes reviewing expenditure details, donations, disbursements, and accounting practices.

★ The Foundation will be required to provide the following reports:

- **Quarterly Reports** – Submitted to review ongoing activity, identify trends, and resolve potential issues early.
- Annual Reports – Submitted to provide a comprehensive year-end overview of the Foundation's financial position and results.

Additionally upon request, each foundation will present its financial summary in at a regularly scheduled District Board Meeting.

 Reports must be prepared according to generally accepted standards and/or principles for nonprofits.




- Balance Sheet (assets, liabilities, and net position)
- Income Statement (revenues and expenses)
- Donor Activity Reports (sources and designations)

Foundation Operating Manual

Audit Finding #3

- Definitions
- Schedule
- Transparency

Operating Manual




-  The manual should clearly define responsibility assignments, authorization protocols, internal controls and compliance requirements.
-  Manual and policies must be reviewed and revised on a set schedule to reflect changing laws, District policies, or nonprofit best practices.
-  The operation manual should have a clear goal of increasing transparency and clarity in both the financial processes and administrative processes. The operating manual must be posted on the Foundation website.

Expenditure Control




Audit Finding #4

- Verification
- Review

Key Expenditure Controls

-  Before any funds are distributed by the Foundation, a clear pre-approval process including verification of documentation shall take place.
-  Supporting materials (invoices, receipts, approval emails) must be retained for audit and review.
-  Disbursement records shall be reviewed annually to ensure expenditure controls are carried out with fidelity.

Administrative Fee Allocation





-  The District and Foundation will jointly determine criteria for which fees should be charged or may be waived and the rationale behind the determination.
-  All donation forms, solicitation materials, and online platforms must **clearly disclose any fees** and explain their purpose.
-  Administrative/overhead fee should be transparent and align with industry standards for education foundations, **which shall not exceed 10% (same as first draft).**

Donation Allocation

Audit Finding #5

- Purpose of Allocation
- Transparency Requirement
- Donor-Opt Out Requirement
- Reporting to the District

Donation Allocation Purpose and Transparency





-  Allocation of donations for program-wide support must be clearly defined by the Foundation. The purpose of these types of allocations shall be to promote balanced access and support across all student programs.
-  All donation forms, websites, and fundraising materials must clearly disclose the existence and percentage of any shared allocation. Donors must be informed in plain language how their contributions will be divided and what the discretionary fund will support.
-  In the event that a Foundation allocates a portion of program-specific donations to a share fund benefiting a broader program area, the Foundation must provide a clear option for donors to opt out of such broader program area allocations (same as first draft). Donors must always retain an option to donate to a specific team or program of choice.
-  Foundation must ensure compliance with District Board Policy 3290 and Title IX.

Records, Disclosure, and Controls

Audit Finding #4, 6, 8, 9, 16

- Form 900 Disclosures
- Credit Card Payment Controls
- Cash Reconciliation Process
- Accounting Records
- Director and Liability Insurance

Financial Accountability Controls

-  Comply with IRS Form 990 filings. Report all compensation: salary, bonuses, in-kind donations/assets.
-  Require documentation and approval for all credit card transactions. District will conduct routine and/or non-routine reviews.
-  Monthly reconciliations for cash/investments, reviewed by an independent reviewer. Keep records balanced; reconcile all investment transactions.
-  Maintain proper director and liability insurance policies.



- **Recommend approval of MOU as presented**

Thank You!