

# Operating Agreement

## The University of Montana and The University of Montana Foundation

THIS AGREEMENT, entered into as of January 18, 2024 by and between the University of Montana (“University”) and the University of Montana Foundation (“Foundation”) is intended to meet the Board of Regents of the Montana University System (BOR) requirements as set forth in its *Policy 901.9: Campus-Affiliated Foundations*.

### RECITALS

The BOR is responsible for supervising, coordinating, managing and controlling the Montana University System, including overseeing the mission, leadership, and operations of the University. As part of its responsibilities the BOR is responsible for the employment, compensation, and evaluation of all University employees including the president of the University.

The Foundation exists for the sole purpose of providing support to the University of Montana, consistent with the mission and priorities of the University of Montana. The mission of the Foundation is to inspire philanthropic support to enhance excellence and opportunity at the University of Montana. As stated in its articles of incorporation, the Foundation is a separately incorporated nonprofit tax-exempt organization. The Foundation is responsible for identifying and nurturing relationships with potential donors and other friends of the University, soliciting cash, securities, real and intellectual property, and other private resources for the support of the University and acknowledging and stewarding such gifts in accordance with donor intent, and executing its fiduciary responsibilities to donors, the University and other stakeholders. The Foundation is governed by a volunteer Board of Trustees and does not fall under the jurisdiction of the BOR or the University, meaning that neither the BOR nor the University have the control or authority to make legal judgements or decisions on behalf of the Foundation.

The University adheres to the centralized constituency fundraising model, whereby all philanthropic fundraising activities are conducted through the Foundation. The Foundation is responsible for the coordination of substantially all fundraising activities conducted for the benefit of the University. The University may authorize some programs to manage their own fundraising activities (e.g. Grizzly Scholarship Association, The Max S. Baucus Institute, and Montana Public Radio). The Foundation is dedicated to assisting the University in addressing, through philanthropic support, the long-term academic and other priorities of the University as formally articulated to the Foundation from time to time. This Agreement replaces the Operating Agreement between the BOR, the University and the Foundation dated April 1, 2022. In consideration of mutual commitments and other good and valuable consideration contained herein, the parties agree as follows:

### **Section 1: Foundation Name, Seal and Logotype**

Consistent with its mission to inspire philanthropic support to enhance excellence and opportunity at the University of Montana, the Foundation is granted the use of the University of Montana Foundation name.

The Foundation shall operate under its own seal and logotype and shall not use the University seal or other identifying marks in the promotion of its business and activities except as expressly allowed by the University.

### **Section 2: Relationship Between the University and the Foundation**

The University President will seek input from campus and the Foundation before defining the University's major needs and priorities for Foundation consideration. The Foundation will provide the University President with regular and ongoing opportunities to discuss campus needs, priorities, and other matters with the Foundation Board and the Foundation President and CEO.

The Foundation shall support the University and respective programs through the services outlined in *Section 4: Foundation Responsibilities*, unless the Parties agree otherwise and when modified by an attachment to this Agreement.

The University recognizes that the Foundation is a private and separately incorporated Montana nonprofit corporation with the authority to keep confidential and private all records and data to the extent allowed by law. As such, the University will create, maintain, enforce, and adhere to policies and procedures that protect the private and confidential nature of the Foundation's records and data and foster the expectation of privacy attendant to those records and data as allowed by law.

The Foundation President and CEO shall serve as an ex officio, nonvoting member of the President's Cabinet and be invited as needed to the University President's cabinet and senior administrative team meetings.

The University President shall serve as an ex officio, non-voting member of the UM Foundation Board of Trustees and shall assume a prominent role in appropriate constituent-related activities. The Foundation will invite input from the University President prior to the appointment of new members of the Foundation Board of Trustees.

The University President and the Foundation President and CEO shall maintain lines of communication as necessary to keep the Foundation apprised of the University's strategic priorities and to ensure the parties' responsibilities outlined herein are being met.

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, with donor intent, and according to all applicable laws.

No salary supplements for the University President will be underwritten by the Foundation without the approval of and public disclosure by the Board of Regents.

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 the board's fiduciary responsibilities, including expectations of individual board members based upon legal and ethical guidelines and policies.

The Foundation Board of Trustees is solely responsible for the employment, compensation, and evaluation of the Foundation President and CEO. The Foundation President and CEO is solely responsible for setting the compensation of Foundation employees within the parameters of annual budgets approved by the Foundation Board of Trustees. The Foundation is solely responsible for the employment and evaluation of its employees.

The Foundation shall consult with the University President or the President's designee in connection with the Foundation's strategic planning.

### **Section 3: University Responsibilities**

**3.1 Fundraising.** At least annually the President of the University shall communicate to the Foundation the University's current private fundraising priorities. The University shall rely upon the Foundation, or its designee, to assess the priorities and the private funding feasibility of each.

The President of the University and the University's leadership (including, but not limited to its executive administrators and academic officers) shall work in conjunction with the President and CEO and the Foundation's development team to identify, cultivate, and solicit prospects for private gifts.

The University may direct to the Foundation any bequests or other gifts made directly to the University.

When requesting and receiving distribution of funds, the University shall abide by any terms, conditions, or limitations imposed by the donor or any legal determination on the gift and shall

provide appropriate documentation with requests. The University bears primary responsibility for review and endorsement of distribution requests.

**3.2 Integrated Advancement.** The University shall actively coordinate its Alumni Relations and University Relations activities with those of the Foundation in order to develop a programmatic culture within the University's student, alumni and private support constituencies that effectively encourages increased philanthropy.

**3.3 Direct Compensation.** In consideration for Foundation services including but not limited to the responsibilities listed in *Section 5: Foundation Responsibilities*, the University shall provide the Foundation with fair and reasonable compensation or payment for services. The amount of compensation will be negotiated and agreed upon on a biennial basis (or more frequently if so agreed by both parties) prior to the agreement period in which the compensation is to be paid. The compensation amounts and payment dates for each of the fiscal years immediately subsequent to the date of this agreement are included as *Appendix A: Direct Compensation Agreement*.

**3.4 Donor and Constituent Related Activities.** The University shall comply with the Foundation's policies and support its processes relating to philanthropic, alumni, and constituent related activities that seek and solicit private support.

Additionally, the University President, deans, directors, appropriate administrators, other University officials, and University-selected or University-sanctioned volunteers shall work in conjunction with the Foundation to develop and steward philanthropic support by coordinating constituent engagements and advocacy relating to University philanthropic priorities.

**3.5 Development Officer Cost Sharing.** The University shall share the costs for development officers assigned to serve particular units of the University. The arrangement shall be evidenced by the form included as *Appendix B: Development Officer Cost-Sharing Agreement*.

**3.6 Office Space.** The University shall lease adequate office space to the Foundation under the terms of a separately negotiated, fair market lease agreement on mutually acceptable terms.

**3.7 Campus Meeting Spaces.** In consideration for services provided to the University under this Agreement the Foundation is extended the opportunity to use campus meeting spaces at no charge. However, the Foundation does pay for any tech services or catering provided by the University.

**3.8 Information Technology Services.** In consideration for Foundation services, the University shall provide in-kind support, including but not limited to the following.

The University shall support the Foundation data warehouse that is used as the reporting portal for the Foundation accounting system. The Foundation reporting portal is used internally by Foundation staff and also grants University fiscal officers access to fund information for their respective units. The Foundation data warehouse also contains select data from the previous database application used by the Foundation and the University of Montana Office of Alumni Relations (UMAR) and is being used by Foundation technical staff for reference while working on projects to improve the data integrity of CRM Advance, the system that replaced the previous database application. This support includes:

1. The hosting of the database software used to access the Foundation data warehouse;
2. The hosting and operational support of related servers and services;
3. Provision of the Oracle and general Operating System licenses necessary to host and operate the Foundation data warehouse;
4. Database and system administration services related to the above, including regular database maintenance, database optimization, data backups, security and recovery related to these databases;
6. The provision of adequate hardware to operate the Foundation data warehouse; and
7. Installation of annual and periodic Oracle software upgrades in a reasonable timeframe after these upgrades become available.

All services shall be provided in accordance with generally accepted industry best practices. The Foundation reserves the right to contract with third parties for product specific database tuning and other services to augment University provided services.

The University shall provide the Foundation network services including operations support and provisioning, including network and internet bandwidth, and sufficient ports and drops to meet Foundation needs for network attached devices including desktops, servers, printers, copiers, and network attached storage.

The University shall provide the Foundation with network services including user administration and authentication, internet access, and intranet access to Foundation owned and managed systems. The University will supply phone and network services to the UM Foundation at rates negotiated annually and approved by IT Fiscal and Business Manager and the Foundation Budget Manager.

The University shall provide virtual servers to the Foundation upon request at a rate to be negotiated based upon requirements and costs.

The University shall provide the Foundation access to training facilities when such use does not conflict with University training schedules.

The University shall include representatives of the Foundation in the University IT planning and governance processes as appropriate.

It is understood that the Foundation may request services in addition to those listed above and that the University may elect to charge the Foundation for those additional services at a mutually agreed upon rate.

The University shall collaborate with the Foundation for the protection of University and Foundation data, thereby upholding the integrity and confidentiality of shared information resources. The University Information Security Office will collaborate closely with the

Foundation to facilitate comprehensive risk assessments and security scans of the campus network and campus network devices that do not require direct or administrative access to Foundation systems.

**3.9 Alumni, Parent and Guardian Records.** Alumni records along with Foundation records are held as part of a single dataset known as the Alumni and Donor Database. The purpose, responsibility, ownership, maintenance, access and confidentiality of the Alumni and Donor Database are outlined in the University’s policy titled “Alumni and Donor Database: Use, Access and Maintenance.” The University shall not change the Alumni and Donor Database Policy without the written permission of the Foundation.

The parent/guardian information will be stored in the Alumni and Donor Database. The Foundation will treat the information as confidential and will use it only in connection with the parent fundraising program.

#### **Section 4: Foundation Responsibilities**

**4.1 Fundraising.** In a coordinated and cooperative effort with the University, the Foundation shall create an environment conducive to increasing levels of private support for the mission and priorities of the University, each as established by the University.

The Foundation, working in consultation with the President of the University, is responsible for planning and executing comprehensive fundraising and donor-acquisition programs in support of the University’s mission and consistent with the stated goals and priorities established by the University and communicated by the University President per section 3.1 (Fundraising). These programs include annual giving, major giving, planned giving, private corporation and foundation giving, special projects, and campaigns as appropriate.

The Foundation, including its Development Officers, shall not solicit or accept gifts that are inconsistent with the University’s stated goals and priorities and will not engage in fundraising for any University project not approved by the President of the University or their delegate(s).



In accordance with *UM Policy 470: Receipt and Administration of External Funding* and its related procedure, the Foundation shall not accept grants designated to benefit the University from governmental or quasi-governmental agencies.

**4.2 Fund Stewardship and Administration.** The Foundation is the primary depository of private gifts to the University. The Foundation shall act to ensure the intent of donors is well-documented and honored.

The Foundation also administers gifts made directly to the University and other University-related but distinct entities. Such gifts shall be administered as “agency funds”; that is, funds that are not the property of the Foundation.

The Foundation shall promptly acknowledge and issue receipts for all gifts on behalf of the Foundation and the University and provide appropriate recognition and stewardship of such gifts.

The Foundation shall adhere to and periodically assess its fund management and gift acceptance policies.

At the request of the University, the Foundation and the University will work together to create a schedule for distribution of funds to the University as they are received by the Foundation for funds that are donor restricted to support a particular area of the University but that have no other restrictions. The Foundation shall provide to the University, as requested, comprehensive disclosure of all assets held by the Foundation for the benefit of the University.

When donor-provided funds are distributed to the University, the Foundation shall evaluate the proposed use to ensure that the use of these funds is in accordance with the intent of the donor. When distributing gift funds to the University, the Foundation shall disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift and shall make timely distributions.

**4.3 Asset Management.** The Foundation shall receive, hold, manage, invest, and disperse contributions of cash, securities, and other forms of property, including current and deferred gifts that are contributed in the form of planned and deferred-gift instruments.

The Foundation will distribute donor funds to the University for expenditures incurred on a timely basis. The Foundation will withdraw funds from the appropriate pooled investment portfolio to cover such expenditures within a reasonable length of time such that removal of the funds may be completed without adversely affecting the remaining investment portfolio.

In managing endowed gifts, the Foundation shall establish endowment management policies that adhere to all current and future applicable federal and state laws including the Montana Uniform Prudent Management of Institutional Funds Act (UPMIFA) as amended or modified from time to time.

**4.4 Asset Investment.** When the University deposits funds with the Foundation for investment purposes, the Foundation may commingle those funds with 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:

1. The University retains ownership of University funds;
2. The Foundation is authorized to invest the University funds in the same manner as other Foundation funds;
3. University funds are subject to the Foundation's administrative fees in accordance with the Foundation's Fund Administration Policies;
4. University funds may be pooled with the Foundation's institutional funds and other funds for the purpose of participating in the Pooled Investments;
5. There is no trust relationship between the University and the Foundation express or implied;
6. Pooled Investments are invested in accordance with the Foundation's investment policy statement;
7. 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;

8. Neither party is obligated to offer or accept investment advice to or from the other party;
9. The Foundation has not and does not hold itself out as an investment advisor or as a professional investment corporation; and
10. The University representative for all matters relating to the investment of University funds by Foundation is the President of the University or his or her designee.

The University and the Foundation have a separate Investment Management Agreement that outlines additional terms relating to the investment of University assets.

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 provide the University with a copy of the most recent investment policy statement.

Upon written notice from an authorized University administrator requesting withdrawal of University funds from the Pooled Investments, the Foundation shall 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.

**4.5 Foundation Funding and Administration.** The Foundation is responsible for establishing a financial plan to underwrite the cost of Foundation programs, operations, and services.

The Foundation has the right to impose fees for its services on gifts and endowed funds. While the Foundation's Board of Trustees has latitude to make any changes to the schedule of Foundation fees, the Foundation shall seek University input before making any changes to its fees.

Except as outlined in sections 3.5 (Development Officer Cost Sharing) and 3.7 (Campus Meeting Spaces) above, and Appendix B, the Foundation shall provide, at its own expense, office space

pursuant to the terms of the lease agreement referenced in section 3.6 (Office Space), computers, copiers, printers, adequate personnel, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.

The Foundation shall provide access to data and records to the University in accordance with the Alumni and Donor Database Policy.

**4.6 Information Technology Services.** The Foundation shall provide technical and administrative support to the University for UMAR's access and use of CRM Advance and the data contained therein. This support includes:

1. The Foundation shall create, maintain, and operate interfaces between CRM Advance and Alumni systems used for email and direct mail distribution.
2. Working with UMAR, the Foundation shall develop and deliver training to staff on CRM Advance use.
3. The Foundation shall create custom reports, extracts, and utility programs for UMAR use.
4. The Foundation shall create and operate custom data imports for the benefit of UMAR and the University.
5. The Foundation will provide the technical expertise needed to maintain the integration between iModules and CRM Advance.
6. The Foundation shall pay 100% of the annual license fees related to CRM Advance, and reporting software used in conjunction with the CRM Advance data set. The Foundation will provide UMAR with twelve (12) seats on the CRM Advance system. Additional seats may be provided to the university, at the discretion of the Foundation, at the standard CRM Advance seat cost.
7. The Foundation licenses address verification software (Initium Instant Address) used to improve the quality of alumni and donor addresses stored in the Alumni and Donor Database. The Foundation will pay 30% of the annual license fee for Initium Instant Address and the UM Office of Alumni Relations will pay 70% of the annual license fee.
8. The University licenses the iModules Encompass suite of programs and tools, which is used across campus for mass email distribution and online registration and payment

functions involving alumni and donor constituents. The Foundation will pay 28% of the annual licensing fee in FY2025 and FY2026. UM will pay 72% of the licensing fee.

The Foundation shall collaborate with the University for the protection of Foundation and University data, thereby upholding the integrity and confidentiality of shared information resources. The Foundation shall maintain a comprehensive data security program that includes policies and procedures, staff security awareness training, and securing Foundation devices with Foundation managed endpoint protection software. The Foundation follows the Center for Internet Security (CIS) Controls and National Institute of Standards and Technology (NIST) Cybersecurity Framework for security control standards and policy guidance.

The Foundation has cybersecurity insurance and will maintain the cybersecurity insurance policy. The Foundation will provide the University with a copy of the certificate of insurance upon each policy renewal. The Foundation will promptly notify the University of any lapse in the Foundation's cybersecurity insurance coverage.

**4.7 Alumni, Parent and Guardian Records.** The Foundation recognizes that alumni records belong to the University and shall not release or otherwise use these records for any purpose outside of that expressly outlined in the Alumni and Donor Database Policy.

As detailed in the Alumni and Donor Database Policy, the Foundation is responsible for administering access to the Alumni and Donor Database and related data warehouse through role-based security, along with managing the organization and integrity of the database.

The Foundation shall update the Alumni and Donor Database using information provided by the University as outlined in section 3.9 (Alumni Records).

The Foundation shall treat parent and guardian data as confidential and will not use it for any purpose other than University-related business.

The Foundation shall provide an opportunity for recipients of Foundation communications derived from alumni, parent and guardian information to opt out of receiving further communications.

**4.8 Alumni Relations Support.** The Foundation shall work with the executive and academic officers of the University to engage the alumni base for each assigned University unit as outlined in section 3.5 (Development Officer Cost Sharing).

The Foundation shall continue to explore opportunities to work with the Office of Alumni Relations and the Alumni Association Board of Directors to engage alumni, donors and other constituents.

**4.9 Other Responsibilities.**

The Foundation shall engage an independent accounting firm annually to conduct an audit of the Foundation's financial records and shall provide the University and the BOR with its annual audited financial statements.

The Foundation will follow all requirements stated or implied by BOR's *Policy 901.9: Campus-Affiliated Foundations*, as well as federal and state law applicable to 501(c)(3) organizations, including providing the BOR and the University with all other information required under the BOR's *Policy 901.9*.

The Foundation Board of Trustees shall maintain and enforce a conflict-of-interest policy; that is, a policy intended to protect the Foundation's interest when it is entering into a transaction or arrangement that might benefit the private interest of a Trustee.

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

The Foundation may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by their parties, or engage in other activities to increase Foundation revenue.

**Section 5: Confidentiality and Access to Information by Other than Foundation Employees.**

In service to its mission to inspire philanthropic support of the University, the Foundation is committed to honor the privacy expectations of donors and others who conduct business with the organization. The Foundation also embraces and values transparency that builds trust with its constituents; maintains compliance with state and federal laws, regulations, and reporting standards for institutionally related foundations; and adheres to standards imposed on private corporations under Montana law.

Therefore, the Foundation will provide copies or provide access to the following documents:

1. Policies and procedures including:
  - a. conflict of interest policy
  - b. board member and volunteer privacy and non-disclosure policy
  - c. fee policy
  - d. accounts payable policy
  - e. gift acceptance and counting policies
  - f. investment policies, and
  - g. endowment spending policy;
2. Organizational documents including articles of incorporation and corporate bylaws;
3. Governing board membership
4. Annual Report to the Secretary of State
5. Annual Report to the MUS Board of Regents
6. Annual report to donors
7. Audited financial statements; and
8. Form 990, Return of the Organization Exempt from Income Tax

The Parties recognize that maintaining confidentiality is critical to the Foundation's fundraising mission, and that those fundraising efforts enhance the affordability and excellence of educational opportunities provided by the University for the benefit of Montana students.

The Parties recognize that the Foundation owns and maintains confidential information ("Confidential Information") which is not available for public inspection including but not limited to the following.

1. Information relating to Foundation constituents including:
  - 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. Records and portions of records regarding 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.
2. Information relating to fundraising plans and strategies.
3. Trade secret information and information relating to the Foundation which if released, could create competitive disadvantage.
4. Foundation employee information, except as required by law.
5. Information relating to trusts and annuities administered by the Foundation, except as to actual gifts to the Foundation from such a trust or annuity.
6. Other information protected by law.

As such, the University agrees to treat such information as confidential to the extent allowed by law. The Parties agree that the Foundation may limit and restrict the University's access to Confidential Information, at its sole and exclusive discretion. All documents containing Confidential Information owned by the Foundation, including copies, are and shall remain the



sole and exclusive property of the Foundation. Should the University come into possession of Confidential Information or documents containing Confidential Information owned by the Foundation, the University will return that information to the Foundation upon the earlier of (a) the Foundation's request, or (b) the University's completion of the task pursuant to which the Confidential Information was provided.

When necessary or beneficial to the efficient execution of Foundation activities, the Foundation may provide access to 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. As such, the University shall create, enforce and adhere to policies and procedures that protect the confidential nature of the Foundation's data and records and foster the expectation of privacy attendant to those data and records as allowed by law.

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 and prospective donors with respect to the information provided to and/or maintained by the Foundation. Non-Foundation employees with access to private information held by the Foundation shall be held to the highest standard of confidentiality and shall adhere to all relevant Foundation policies and processes regarding the acceptable use of data and information and may be asked to sign a confidentiality agreement specifically governing such access.

If a public records request is made to the University for any information in the possession of the University which the Foundation has designated as confidential, the University will promptly notify the Foundation of the request so that the Foundation can seek a protective order if it so chooses.

## **Section 6: Other Matters**

This Agreement is intended to set forth policies and procedures that will contribute to the coordination of their mutual activities. To ensure effective achievement of the items of the

agreement, University and Foundation representatives (including but not limited to respective staff and Foundation Trustees) shall hold periodic meetings to foster and maintain productive relationships and ensure open and continuing communications and alignment of priorities.

#### **Section 7: Resolution of Disputes**

If any dispute arises out of or in relation to this Agreement, the parties will first attempt to resolve such dispute by informal negotiation. If informal negotiations fail to resolve the dispute, the parties agree to seek mediation using a mediator acceptable to both parties. If mediation fails to resolve the dispute within 30 days of the initial mediation session, the parties retain all legal rights and remedies.

#### **Section 8: Foundation Dissolution**

In the event of dissolution of the Foundation, all assets will be transferred to the University or to the assignee expressly designated by the University.

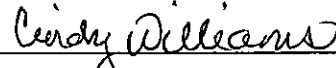
The University and the Foundation may enter into formal arrangements in addition to this Agreement from time to time. No terms or conditions of those agreements will contravene any element of this Agreement. This agreement expires on January 31, 2026.

The Recitals are incorporated into this Agreement by this reference.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS Agreement to be executed by their duly authorized officers as of the day and date above.

UNIVERSITY OF MONTANA

UNIVERSITY OF MONTANA FOUNDATION



Seth Bodnar, President  
University of Montana

Cindy Williams, President and CEO  
University of Montana Foundation

Date: Jan 18, 2024

Date: Jan 18, 2024

**Appendix A: Direct Compensation Agreement**

Further to Section 3.3 (Direct Compensation) of the Agreement between the University of Montana (the “University”) and the University of Montana Foundation (the “Foundation”), the direct compensation to be paid by the University to the Foundation shall be as follows:

<b><u>Contract Year Ending January 31, 2025</u></b>		<b><u>Contract Year Ending January 31, 2026</u></b>	
Due on April 1, 2024	257,000	Due on April 1, 2025	259,570
Due on July 1, 2024	257,000	Due on July 1, 2025	259,570
Due on October 1, 2024	259,570	Due on October 1, 2025	262,166
Due on January 1, 2025	259,570	Due on January 1, 2026	262,166
Total	\$ 1,033,140	Total	\$ 1,043,472

## **Appendix B: Development Officer Cost Sharing Agreement**

The University of Montana Foundation is a private and separately incorporated Montana nonprofit corporation founded and operated for the purposes of raising and stewarding funds for the support of the University of Montana. The Foundation employs qualified personnel to assist with its mission to inspire philanthropic support to enhance excellence and opportunity at UM and will assign qualified development staff to work in collaboration with various programs, departments, schools or colleges of the University under the conditions set forth below. In consideration of the foregoing, it is understood and agreed by the Foundation and the University as follows:

1. The Foundation agrees to assign a qualified Foundation employee – to the extent feasible under the Foundation’s operating budget – to guide, manage, develop and advance the fundraising and outreach efforts of those units on the campus where the President of the University has determined that a development program is needed and the Foundation has determined that there is a reasonable feasibility of fundraising success and return on investment.
2. Development staff shall at all times be and remain employees of the Foundation. Development staff will report directly to the Foundation but will also be accountable to the dean or other campus partner for progress toward development goals mutually developed by the Foundation and the campus partner. Although the Foundation will consult with and consider the input of the assigned dean or campus partner, final decisions regarding the hiring and assignment of development staff will be the responsibility of the Foundation.
3. The Foundation will be responsible for development staff performance evaluation and other personnel matters but will consult with and give reasonable consideration to the input of the assigned dean or campus partner in the preparation, formulation and approval of the annual fundraising plan.
4. In exchange for the services provided by assigned development staff, the appropriate dean, campus partner, or University President will authorize the use of Foundation funds to pay for one-half (½) of the cost of salary and benefits for the development staff

assigned to the dean or campus partner, based on the percentage of the development staff time allocated to the duties hereunder. (For example, if a development staff member is assigned duties hereunder on a 0.5 FTE basis, authorization will be given to use Foundation funds to pay one-quarter ( $\frac{1}{4}$ ) of the associated salary and benefits.) Prior to assignment or recruitment of a development officer for a unit, that unit must identify and transfer one year of cost sharing to the unit's designated development officer cost sharing fund and maintain a balance sufficient to cover up to 3 months of expenses. If a unit is unable fiscally to continue with a cost sharing arrangement, the Foundation may reassign the development officer.

5. In addition, the program, school, college or department will pay for travel and other expenses associated with development activities in support of the unit. The dean or campus partner will provide an on-campus private office for assigned staff, as well as the office furniture, telephone, supplies and other reasonable office expenses. The Foundation will provide a computer and necessary mobile technology for use by assigned development staff. Any intended change in the private office location of an assigned development officer should be discussed and approved by the UM Foundation prior to the move.
6. The Foundation will not charge the University for any costs without the express, prior agreement of the University.

This Cost Sharing Agreement can be terminated with 30 days written notice by either party.