



with federal, state, and local laws and regulations. The actions or activities of an Affiliate that conflict with or that violate National Standards will endanger QCCF's certification under National Standards and may endanger QCCF's tax exempt status under federal law. Affiliate acknowledges that any action or inaction by Affiliate which jeopardizes QCCF's exempt status or National Standards accreditation may be grounds for termination of the Affiliate/lead relationship by QCCF, in its sole discretion. In accordance with the National Standards for Community Foundations®, if Affiliate is not a component fund of QCCF, Affiliate acknowledges that it may neither use QCCF's National Standards accreditation nor refer to it as a part of its affiliation with QCCF.

## **6. LEGAL STATUS OF AFFILIATE**

Affiliate is a component fund of QCCF. As a component fund, Affiliate does not have any separate legal status. If Affiliate subsequently obtains separate legal status as a 501(c)(3) organization, it may request to enter into a separate contractual affiliation agreement with QCCF or request to terminate status as a geographic affiliate. Upon termination of geographic affiliate status, Affiliate's affiliation with QCCF will cease. If that former Affiliate wishes to receive services from QCCF, a fee-for-service contract of affiliation may be negotiated and executed governing all aspects of the affiliation relationship.

## **7. QCCF POLICIES**

Affiliate and its advisory board and related activities will abide by QCCF policies; as such policies are revised from time to time. As component funds of QCCF, all aspects of the operation and management of Affiliate and its activities shall be under the ultimate direction and control of QCCF's Board of Directors, and subject to the terms of QCCF By-laws and policies.

## **8. GIFTS PROPERTY OF QCCF**

All gifts, grants, monies, gifts in kind, and any other asset associated with the Affiliate and the communities it benefits are the **sole property of QCCF**, and subject to QCCF's exclusive direction and control.

## **9. AFFILIATE LEADERSHIP**

Affiliate will have an appointed "Affiliate Advisory Board" consisting of a volunteer committee of QCCF and established to provide leadership for the Affiliate under the supervision of QCCF's Board of Directors. The Affiliate Advisory Board will oversee, on a local level, the Affiliate's specific activities, help build funds for the Affiliate area, recommend grants, and represent the interests of the Affiliate community in matters related to any of the funds identified with the Affiliate at QCCF. The Affiliate Advisory Board shall nominate its own candidates to serve on the Affiliate Advisory Board and submit the nominations to QCCF for approval. The Affiliate Advisory Board may appoint officers as it chooses from among the Affiliate Advisory Board members, subject to QCCF approval. Affiliate Advisory Board members and officers have no legal authority and do not serve in a fiduciary capacity in relation to the Affiliate or any funds identified with the Affiliate. It is understood and agreed that each Affiliate Advisory Board member shall receive a copy of this Memorandum on appointment, and whenever this Memorandum is revised. Each Affiliate Advisory Board member must review and, by signature, acknowledge that he or she has reviewed and understands this Memorandum, will comply with it, and will use his or her best efforts to ensure that all Affiliate activities comply with it.

## **10. AFFILIATE ADVISORY BOARD MEMBERS AS QCCF VOLUNTEERS**

All Affiliate Advisory Board members serve in the capacity of a volunteer committee member to QCCF. As volunteers, each Affiliate Advisory Board member must read, sign and adhere to the following QCCF policies, along with any other policies applicable to QCCF volunteers:

- Confidentiality and Privacy Policy;
- Conflict of Interest Policy;
- Code of Ethics and Conduct; and
- Social Media Policy (not signed).

Any violations of the above-mentioned policies, or any additional policies which are applicable to QCCF volunteers, shall be grounds for reprimand and/or termination of an individual Advisory Board Member's status as a volunteer for QCCF and Advisory Board Member to Affiliate.

As representatives of QCCF in their local communities and elsewhere, Affiliate Advisory Board members must strive to present QCCF and all of its affiliates in a positive manner. If it becomes apparent to QCCF that a positive working relationship is not possible with an individual volunteer, or that an existing volunteer relationship is detrimental to the reputation of QCCF and its affiliates, QCCF reserves the right to terminate the individual's status as a QCCF volunteer.

## **11. ADMINISTRATIVE OVERVIEW**

Affiliate is not a legal entity and thus is **not authorized** to independently establish contracts for services or enter into any agreements on behalf of Affiliate or QCCF. No individual or entity shall have authority to, and shall not, assume or create any obligation or responsibility, implied or expressed, on behalf of or in the name of QCCF, and shall not bind itself or QCCF in any matter whatsoever, except as previously authorized in writing by QCCF. Affiliate does not have the authority to use QCCF's federal EIN to establish any account, apply for any grant, or for other purposes without QCCF's prior written approval. All contracts or agreements of any nature or type related to Affiliate activities must be signed by authorized officers of the QCCF. In the event any contract or agreement is signed by an Affiliate Advisory Board member, it shall be treated as a personal obligation made by the individual to the other contracting party and shall not be binding on the QCCF.

## **12. FUNDRAISING ACTIVITIES**

QCCF must be notified in advance of the commencement of any fundraising activity or any Affiliate's plan for the fundraising efforts and no such fundraising shall be undertaken without the advance written approval by QCCF for any fundraising plans to ensure compliance with legal requirements. Any fundraising activities that are not presented to and approved by QCCF will be treated as a personal obligation of the Affiliate Advisory Board members and shall not be binding upon the QCCF. Furthermore, QCCF reserves the right to decline any gifts resulting from fundraising activities that were not approved in advance by QCCF and/or do not comply with QCCF's Donor and Affiliate Initiated Fundraising Policy.

## **13. PERSONAL DONOR TAX ADVICE**

Due to the nature and legal conditions of philanthropic work, donors may ask Affiliate Advisory Board members for tax-related advice. Affiliate Advisory Board members must always refer potential donors to professional advisors for tax-related or legal questions and shall not give such advice in their capacity as an Affiliate Advisory Board member. All donors and other QCCF constituents must consult with and rely exclusively on their own advisors for tax and legal advice.

## **14. MARKETING AND ADVERTISING MATERIALS**

All materials, print and electronic, must include prominent markings that the Affiliate is a component fund of the QCCF. The proper name is "(name of Affiliate), a component fund of the

Quad Cities Community Foundation.” All such marketing materials shall be presented to QCCF in advance for approval and shall utilize the QCCF approved logo.

## **15. INTELLECTUAL PROPERTY**

QCCF retains ownership of Affiliate names, logos, and other trade or service marks, and will provide guidelines and defined terms of usage of said items by Affiliates.

QCCF retains ownership of data, mailing lists, and any other proprietary data or materials, and will provide guidelines and defined terms of usage of said items by Affiliates.

## **16. GEOGRAPHIC AFFILIATE FUNDS**

Affiliate may have one or more component funds, established to address the needs of the Affiliate community and the charitable interests of its donors. All such funds are the property of QCCF, which shall have the sole discretion and control over the investment, management, and use of funds consistent with the charitable purpose of each fund. Each such fund will be established and administered under a separate fund agreement entered into by the donor and QCCF and may consist of any of the following (“Affiliate Funds”):

1. Unrestricted endowment;
2. Operating endowment;
3. Non-endowed operating fund;
4. Project fund (for pre-approved projects only); and
5. Iowa County Endowment Fund for Iowa County Endowment Affiliates.

At no time are any such Affiliate Funds considered the property of Affiliate. Funds established by donors that benefit a region served by Affiliate may be listed as part of that Affiliate’s “family of funds,” however, such name, inclusion in marketing materials or otherwise does not imply that those funds are under the control of Affiliate. Any representations to that effect may be grounds for termination of the geographic affiliate relationship with QCCF.

It is understood that not all donors who live in or are interested in supporting a charitable cause located in a geographic area served by Affiliate will want to be considered part of the work of Affiliate. Donor preference shall be paramount in all cases. If a donor does not wish to be recognized by or included in the work of Affiliate, the donor’s preference is to be respected. Similarly, not all funds established by donors will be included in the “family of funds” of Affiliate unless the fundholder expressly allows such inclusion.

## **17. OPERATING SUPPORT**

Existing operating funds and endowments will remain intact and be used as the first source of revenue to fund Affiliate Advisory Board activities related to the promotion and operation of Affiliate.

## **18. REVENUE SHARE**

For 2016, 0.25% of the fee revenue realized by QCCF on 2015 Affiliate Fund balances will be shared with Affiliate. Funds that are identified with an Affiliate generally are funds that benefit the geographic area served by the Affiliate. This revenue sharing is subject to change on an annual basis by decision of the QCCF Board of Directors, in its sole discretion, and shall be communicated to Affiliate not less than thirty (30) days prior to any change. Starting in 2017, revenue sharing will be fully eliminated.

## **19. ROLE OF THE AFFILIATE ADVISORY BOARD**

Subject to the policies and oversight of QCCF, an Affiliate Advisory Board will undertake the following activities and responsibilities:

a. Maintain Affiliate operations including:

- Implement procedures related to the composition and orderly succession of the Affiliate Advisory Board, in accordance with best practices for nonprofit governance, including but not limited to, a term length of up to three (3) years for officers and directors, with a maximum of two (2) sequential terms and a minimum one (1) year hiatus before allowing a third or future terms;
- Provide for the election of an Advisory Board Chair and Secretary. Additional positions may be determined by the Affiliate. All officer nominations shall be provided to QCCF for approval following nomination by the Affiliate Advisory Board;
- Provide QCCF with timely contact information for all Affiliate Advisory Board members and communicating any changes in contact information immediately when identified;
- Provide QCCF with a main Affiliate point of contact from the Advisory Board members;
- Form additional committees or task forces to undertake specific activities (e.g., a grants committee, fund development committee, etc.);
- Develop a regular schedule of meetings with a minimum of four (4) meetings per year and a suggested minimum of six (6) bi-monthly meetings per year;
- Keep abreast of QCCF policies and procedures to ensure each Affiliate Advisory Board member is confident in his or her understanding of such policies and procedures and their ability to communicate these policies and procedures to appropriate constituencies;
- Prepare goals and an operations budget to support the goals;
- Prepare and share with QCCF timely minutes of all meetings (QCCF will maintain all official records of the Affiliate); and
- Provide administrative rights to QCCF for all social media accounts promoting the Affiliate.

b. Asset Development and Donor/Fundholder Stewardship:

- Build permanent endowment funds and appropriate non-endowed funds with primary emphasis on unrestricted endowment to meet the charitable needs of the Affiliate community (geographic area);
- Emphasize development of unrestricted gifts that allows for flexible charitable granting to support community priorities;
- Facilitate development of other fund opportunities (e.g., donor advised funds, designated funds, and organizational funds) as appropriate;
- Develop relationships with local professional advisors so they see Affiliate and QCCF as a philanthropic partner in local communities;
- Develop/capture inspirational stories of how an Affiliate's donors are helping to improve life in the community (impact stories and legacy stories);
- Undertake appropriate public relations/marketing efforts, working in coordination with QCCF; and
- Twice weekly checking of Post Office box and forwarding within 24 hours any donations or other important communications received.

- c. Grant making and Community Leadership Activities:
  - Develop grant making guidelines and procedures, including charitable objectives and priority areas to guide funding recommendations (unique to each Affiliate) in coordination with QCCF;
  - Promote local grant and scholarship opportunities;
  - Administer grant and scholarship application review, selection, and award events;
  - Utilize the QCCF online granting system;
  - Provide QCCF with required records for grant and scholarship directives; and
  - Submit recommendations for grants along with appropriate documentation from Affiliate fund(s) to QCCF's staff for approval by QCCF's Board of Directors.
  
- d. Serve as an information source to QCCF in regard to the Affiliate area:
  - Inform QCCF of local nonprofit organizations, individuals, corporations and professional advisors that could benefit by knowing more about QCCF and Affiliate, including all pertinent information necessary for development of constituency records and mailing lists;
  - Provide QCCF current information that can be used to update and maintain a portion of the QCCF website regarding Affiliate activities;
  - Help identify specific needs, opportunities, and critical issues in the Affiliate area that could benefit from the Affiliate grant making program; and
  - Engage in constructive dialogue about improving the Affiliate programs as a way to enhance regional philanthropy.

## **20. SERVICES PROVIDED BY QCCF TO AFFILIATE**

QCCF shall provide the following services to Affiliate as part of this Memorandum:

- a. Finance and Administration:
  - Completion of annual federal and state tax returns on assets under QCCF's management (as part of QCCF's returns);
  - Annual audit (as part of QCCF's audit);
  - Internal control over all assets, including Affiliate component funds;
  - Investment management of all assets, which are under sole ownership and control of QCCF;
  - Distribution of assets to and from Affiliate Funds and/or funds identified with the Affiliate for accounts payable or grants;
  - Provide quarterly fund statements and online access for Affiliate Advisory Board Chair or other appointed Affiliate Advisory Board member to the Affiliate Funds which may include all or any of the following funds:
    - Unrestricted endowment;
    - Operating endowment;
    - Non-endowed operating fund;
    - Project fund (for pre-approved projects only); and
    - Iowa County Endowment Fund for Iowa County Endowment affiliates
  - As official record keeper for Affiliate, QCCF shall hold the originals of all fund documents, grant/scholarship applications and grant reports, as well as all minutes and other pertinent records of Affiliate Advisory Board;
  - Maintain all donor records;
  - Provide quarterly financial reports to Affiliate for Affiliate's "family of funds" (excluding funds, the donors of which wish to remain anonymous); and

- Provide access to an “Affiliate Portal” through QCCF’s website, a protected area exclusively for use by Affiliate Advisory Board members. Materials available through the Affiliate Portal include policies, best practices, marketing material samples, and forms.
- b. Program and Grant Making:
- Assistance regarding best practices in grant making, including assistance with preparation of guidelines for grant applicants;
  - Conduct due diligence checks on all grant recommendations;
  - Provide an online grant application system; and
  - Provide consultation to guide community impact efforts.
- c. Development and Donor Relations:
- Consultation regarding planned giving and fund development;
  - Preparation and execution of a fund agreement for every fund established by and/or to be identified with the Affiliate specifying the name, scope of charitable purpose, manner of distribution and any additional advisors to the fund;
  - Participation of development staff in meetings with major prospective donors when deemed appropriate;
  - Acknowledgment/receipting to donors of all gifts to the Affiliate Fund(s) and/or to funds identified with the Affiliate for tax purposes, including sending state tax credit application when applicable; and
  - Promotion of the Affiliate Fund(s) and/or funds identified with the Affiliate among current and new donors to QCCF through QCCF’s website.
- d. Public Relations and Marketing:
- Review and final approval of any marketing pieces proposed and written/designed by the Affiliate;
  - Assistance with and final approval of press releases about grants from Affiliate Funds and/or from funds identified with Affiliate and major gifts to Affiliate Funds and/or funds identified with the Affiliate (as requested by the Affiliate Advisory Board in coordination with the QCCF Affiliate staff);
  - Provide web pages within QCCF’s website dedicated to Affiliate for use and coordinate development of Affiliate’s web page(s), online donation page(s) (as applicable) and updating of content as requested by Affiliate Advisory Board members; and
  - List Affiliate fund(s) and funds identified with the Affiliate in QCCF’s annual report/Web site and possible promotion in QCCF marketing materials when appropriate or applicable.
- e. General:
- Provide orientation of Affiliate Advisory Board Members regarding QCCF and its role, history and mission, basic functions, governance, management, grant making, etc. and ongoing support through an “Affiliate Handbook” that is given to each new Affiliate Advisory Board member and available through the Affiliate Portal (expected availability in third quarter, 2016);
  - Provide a copy of this Memorandum to all new Advisory Board members;
  - Participation by QCCF staff in the Affiliate’s goal setting and long-range planning;
  - Provide pertinent information to Affiliates obtained from the Council on Foundations, Iowa Council of Foundations, and other related sources;

- Periodic convening of Affiliates’ representatives to share information, best practices and ideas for growing each Affiliate;
- Provide monthly Affiliate “e-newsletter” with current news and information to assist Affiliate Advisory Boards;
- Handle all matters pertaining to legal claims against or by an Affiliate or initiation of legal proceedings regarding gifts;
- Provide post office box access through a post office box rented by QCCF with one key to be maintained by QCCF and one to be provided to an appointed Affiliate Advisory Board member;
- Provide an email address for Affiliate through QCCF’s server in the format of “Affiliate@QCCF.org;”
- Provide streamlined and centralized phone service to be answered by QCCF with pertinent information communicated directly to Affiliates;
- Provide an annual review with each Affiliate Advisory Board and reconfirmation of this Memorandum.

Additional requests by Affiliate Advisory Boards for services not anticipated at the time of execution of this Memorandum will be considered at the time of the request. Any additional requests will be provided at the sole discretion of QCCF depending on resource availability and other factors QCCF deems relevant.

## **21. FEES**

All Affiliate Funds will be charged an administrative fee based on QCCF’s Administrative Fee Schedule, as that Schedule may be amended from time to time without necessity of amending this Memorandum. The following services will be subject to separate fees and will be charged to the Affiliate’s budget as incurred:

- Legal services on issues specific to the Affiliate which are either requested by the Affiliate Advisory Board or incurred by QCCF in administering the Affiliate;
- Specialized brochures, newsletters and annual reports, and other branded marketing materials such as letterhead and note cards;
- Consulting fees, except as noted above;
- The pro-rata share of fees charged directly to QCCF by its investment managers and custodians for investing the assets of funds; and
- Fees related to accepting credit card donations, or automatic debit charges.

## **22. PUBLIC COMMUNICATIONS**

To avoid confusion and misunderstanding, to protect QCCF’s tax exempt status, and to preserve QCCF’s certification as meeting National Standards set forth by the Council on Foundations, QCCF must ensure that all donors, potential donors, and stakeholders understand that Affiliate is a part of QCCF, that Affiliate’s operations are subject to the supervision and control of QCCF, and that Affiliate has no independent legal status. Therefore, all written communications describing an Affiliate, soliciting funds for an Affiliate and/or to be identified with an Affiliate, or encouraging public involvement with an Affiliate, shall clearly state that the Affiliate is a component fund of QCCF. Such communications shall include, but not be limited to, websites, brochures, fundraising letters, and proposal letters to potential donors and all social media and electronic communication methods. All such communications require prior approval by QCCF to ensure compliance. Failure to adhere to this requirement may subject an Affiliate to the termination of the Affiliate status.



### **23. TERMINATION OF AN AFFILIATE**

Members of an Affiliate Advisory Board help QCCF to serve its mission and its regional communities through their knowledge, contacts, and volunteer service. QCCF will strive to guide an Affiliate Advisory Board to develop the knowledge and understanding needed to follow the mission, legal and ethical standards of QCCF. In turn, QCCF has an expectation that the Affiliate Advisory Board will act in good faith to protect the legal and ethical standards of QCCF, follow the Bylaws, Policies and Procedures of QCCF and not perform any act which would contradict or extinguish QCCF's tax exempt status.

In the event that an Affiliate Advisory Board demonstrates a breach of the legal or ethical standards of QCCF or refuses to work in good faith within the mission and standards under which QCCF functions, QCCF Board of Directors may choose to terminate the Affiliate. Such disaffiliation shall be accomplished by terminating this Memorandum, and delivering in writing to the Affiliate Advisory Board notice of the intent to terminate the Affiliate relationship. QCCF will work in good faith with the Affiliate Advisory Board to determine how best to serve the philanthropic needs of the geographic region following termination of the Affiliate relationship.

### **24. INDEPENDENCE OF AN AFFILIATE**

QCCF hopes and intends that each Affiliate will remain an active part of QCCF permanently. However, if an Affiliate Advisory Board at any time wishes to become independent or to cease operations, QCCF will work in good faith with the Affiliate Advisory Board to determine how best to serve the philanthropic needs of the geographic region. The Regional Philanthropic Services outline provides detailed options for Affiliates Advisory Boards that wish to disaffiliate from QCCF. The outline also provides detailed processes for disaffiliation. Termination fees will apply as stated in the QCCF Regional Philanthropic Services outline, which may be amended from time to time without amendment of this MOU.

### **25. AMENDMENT OF THIS MEMORANDUM OF UNDERSTANDING**

QCCF reserves the right to unilaterally change the terms of this Memorandum to reflect changes in QCCF policy, procedure or strategy for fulfilling its mission or to unilaterally terminate the status of any Affiliate as a geographic affiliate of QCCF. QCCF will communicate all such changes in a timely manner to all Affiliate Advisory Board members of record with QCCF at the time the changes are made.

### **26. APPLICABLE LAW AND VARIANCE POWER**

This Memorandum shall be governed according to the laws of the State of Iowa. Furthermore, in accordance with Treasury Regulation §1.170A-9(f)(11)(v)(B)(1) QCCF's Board of Directors has the power to modify the terms of a component trust or fund if a restriction effectively becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served, and any exercise of variance power must be in the best interests of the community trust. Treasury Regulations §1.170A-9(f)(11)(v)(E).

### **27. CAPTIONS**

The paragraph headings in this Memorandum are for reference and convenience only, and shall not in any way limit or amplify the terms and provisions hereof, or affect the interpretation of this Memorandum.

### **28. FURTHER ASSURANCES**

All parties agree to execute whatever additional documents are necessary to implement the terms and conditions of this Memorandum.

**29. ENTIRE AGREEMENT**

This Memorandum constitutes the entire agreement of the parties hereto with respect to the matters set forth herein, and supersedes all prior agreements, negotiations, or discussions with respect to such matters. No prior or concurrent representations or promises of any party hereto or any of their respective agents or representatives shall constitute a part of this Memorandum, unless expressly so stated herein.

**30. COVENANTS AND CONDITIONS**

Should any covenant or other provision of this Memorandum be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable by reason of a rule of law or public policy, all other conditions and provisions of this Memorandum shall nevertheless remain in full force and effect. No covenant or provision hereof shall be deemed dependent upon any other covenant or provision unless so expressly stated herein.

**31. COUNTERPARTS**

This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**32. AFFILIATE ADVISORY BOARD ACKNOWLEDGEMENT**

This Memorandum is being signed contemporaneously by all Affiliate Advisory Board members at the time of adoption of the Memorandum, and will be subsequently signed by each new volunteer members of the Affiliate Advisory Board as they join as an Affiliate board member.

**NOW THEREFORE**, this Memorandum is entered into by and among Affiliate and QCCF as of the date set forth above.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Chair of Affiliate Advisory Board*

\_\_\_\_\_  
*Printed Name*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Secretary of Affiliate Advisory Board*

\_\_\_\_\_  
*Printed Name*

*Accepted by:*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Sherry Ristau, President & CEO  
Quad Cities Community Foundation*

**[Signature of Affiliate Advisory Board Members Follows]**

**AFFILIATE ADVISORY BOARD MEMBERS SIGNATURES**

As members of the Affiliate Advisory Board for Affiliate, we acknowledge that we have received a copy of this Memorandum. My signature indicates that I have received, reviewed, and agree to follow the terms of the Memorandum of Understanding for Affiliate Operations with the Quad Cities Community Foundation.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Advisory Board Member*

\_\_\_\_\_  
*Printed Name*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Advisory Board Member*

\_\_\_\_\_  
*Printed Name*

Date: \_\_\_\_\_

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*Signature of Advisory Board Member*

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*Printed Name*

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*Signature of Advisory Board Member*

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*Printed Name*

Date: \_\_\_\_\_

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*Signature of Advisory Board Member*

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*Printed Name*