



Women of Pearls Community Action Foundation

P.O. Box 116781 Carrollton, TX 75011

This Memorandum of Understanding (MoU) defines the relationship between Women of Pearls Community Action Foundation (The Foundation) a 501(c)3 private foundation and the Tau Rho Omega Chapter (the Chapter) of Alpha Kappa Alpha Sorority, Inc. (the Sorority).

I. PURPOSE OF FOUNDATION

Women of Pearls Community Action Foundation is a nonprofit private foundation organized under the nonprofit laws of Texas for public and charitable purposes. The specific purpose of the Foundation is to promote and support: Scholarships, Science, Technology, Engineering, Art and Math (STEAM), Health Care, Social Justice and Equality which include Economics and Family Stability programs and activities. To maximize our impact, we will collaborate with Tau Rho Omega Chapter (the Chapter) and non-profit organizations which fall under the 501(c)(3) section of the internal revenue code and are operated exclusively for educational and charitable purposes.

The Foundation shall:

- Solicit, raise funds, secure donations, goods and services from other foundations, corporations, partnerships and individuals to support the charitable activities described above.
- Assist the Chapter with the solicitation, securing of donations, goods and services from foundations, corporations and individuals to support charitable activities described above.
- Manage and oversee funds received to support charitable programs including documentation of the receipt and distribution of charitable donations and ensuring all financial activities and record keeping meet the requirements of the Internal Revenue Code Section 501(c)(3).
- Require that all donations, grants and funds to benefit the community service programs and scholarships are to be made payable to Women of Pearls Community Action Foundation.

The Foundation is required to document that the disbursement of funds is legal and consistent with the provisions of the 501(c)(3) laws and regulations.

II. COMPLIANCE STATEMENT

The Foundation procedures will be in alignment with the *Compliance Guidelines for Chapters with Foundations, Incorporated Entities or Not for Profit Corporations* established by Alpha Kappa Alpha Sorority, Inc. The Foundation shall establish a Compliance Committee which shall be responsible for ensuring that the Foundation complies with all rules, regulations, guidelines and procedures established by the Sorority as well as state and federal government requirements.

III. FINANCIAL STATEMENT

The Foundation has implemented the following understanding and procedures to support Chapter programs:

- The Foundation's fiscal year is January 1 through December 31.
- The Foundation's annual budget, as recommended by the Financial officers, shall be approved by the Board of Directors and presented to Foundation Members for review and final approval. The budget reflects a breakdown of fundraising proceeds and other revenues (e.g., donations), estimated program expenses including scholarships, administrative expenses and fundraising expenses. The budget takes into consideration, total available funds, prior year expenditures and recommended funding priorities from the Chapter. The funds are allocated based upon the availability of funds from Member dues, fundraisers, grants, solicitations and other donations.
- The Foundation requires a budget for each fundraiser hosted by the Foundation and/or the Chapter. The budget for the event will serve as a guide for the Financial Officers and shall be approved by the Board of Directors. The budget shall include estimated profit amounts and expenses for each proposed fundraiser.
- The Foundation's Statement of Activities is presented to Members for their review at least once each quarter showing (i) actual amounts spent to date on program expenses including scholarships, administrative expenses and fundraising expenses, (ii) actual amounts received to date from fundraising revenues and other revenues (e.g., donations) and (iii) budget-to-actual variances for each line item. As deemed appropriate by the Board of Directors, a more frequent review of the Statement of Activities may be made available for review by Members.

IV. COLLECTION OF FUNDS

- Each Program and/or committee chairman must ensure that the Foundation's financial officers collect and provide receipts for all revenue collected on behalf of the Foundation.
- All funds received will be documented by the financial secretary.
- "Seed" money for fundraisers will be maintained in the Fundraising account for any future fundraisers. Seed money provided will be repaid to the Foundation after the fundraising activity is completed.

V. PROCESS TO “REQUEST REIMBURSEMENT OR ADVANCE FUNDS”

All amounts spent on program activities, as reflected in the approved Foundation budget, are reimbursed by the Foundation if funds are available.

A) Program and/or committee chairman must complete the Foundation “**Request for Funds Form**”.

The funds may be requested for expenditures in advance or as a reimbursement.

- To request funds for expenditures, an invoice or order form or an explanation of planned expenditures must be attached to the form; original receipts must be submitted after the expenditure is paid within 30 days.
- Requests for funds must be pre-approved by the Program and/or chairman in writing (on the form/email). The appropriate signatures must be obtained prior to submission.

Note: “*Requests for Funds*” forms must be submitted to the Foundation Treasurer, either in person, via email or mailed to:

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- B) This form is subject to review and approval by both the Foundation President and the Foundation Treasurer based on the approved budget and available funds.
- C) Signatures of both the Foundation President and/or Vice President and Treasurer are required for the issuance of all Foundation funds.

VI. PROCESS TO REQUEST TO INCREASE PROGRAM BUDGET OR FUNDS FOR OTHER CHARITABLE ACTIVITY

- A) Program and/or committee chairman must prepare and present a written report to the Chapter at a regular meeting. The report must state that the committee is in need of and is requesting additional funds for that fiscal year and the rationale for the additional expenditure.
- B) If the Chapter wishes to make a charitable donation to an entity or support a community benefit program not previously identified, the request should first be presented to and recommended by the Chapter’s Executive Board, and the decision recorded in meeting minutes.
- C) Once Executive Board recommends, the request must be approved by the Chapter at a chapter meeting and the decision recorded in the meeting minutes.
- D) Following approval by the chapter, the Program and/or committee chairman or designee will submit the request as set forth in Section 5 (A) above.

- E) The Foundation's financial officers will determine if funds are available to honor the request(s).
- F) Based upon the Foundation's financial officers' determination of availability of funds, the Program and/or committee chairman will be advised as to the Board's decision.

VII. REQUESTS FOR GRANT FUNDS

If a Grant is received, the Foundation is required to maintain accurate reporting of funds received and disbursed by the Foundation.

To satisfy IRS requirements, the Foundation must have a copy of all grant applications submitted to or prepared by the Foundation. The Foundation's Secretary retains the copy. Grants must be managed accordingly:

- Tau Rho Omega Chapter must approve the program that meets the specifications of the grant.
- Tau Rho Omega Chapter must document its approval and submit the written report to the Foundation. The applicant must receive written approval of the chapter before the funds can be disbursed.
- Tau Rho Omega Chapter must demonstrate the capacity to implement the grant deliverables and expectations.
- Any funds managed and/or disbursed from the Foundation from a grantor's award must meet the grantor's requirements (if applicable).
- A complete accounting of all grant expenditures is to be submitted to the Foundation's financial officers at least quarterly.
- Any unused funds will be disbursed and/or returned according to the written requirements/requests of the grantor/donor (if applicable).
- Final grant accounting and reporting should be submitted within 30 days after the grant period concludes or in accordance with the guidelines of the grant, whichever is shorter.

VIII. GRANT REPORTING REQUIREMENTS

The Tau Rho Omega Chapter must provide written reports which include an itemized account of all funds disbursed to the Chapter by the Foundation. This documentation will provide proof for any investigating/regulatory agency that the funds have been used for the stated purposes. Funds granted for a specific purpose must strictly adhere to the requirements described within the grant.

IX. MISCELLANEOUS

Donations of \$25.00 or more to the Foundation will be acknowledged in writing on Foundation letterhead (exception: fundraising event). The letter will thank the donor for the contribution and specify the amount that is tax deductible.

- A. The Chapter acknowledges and agrees that the procedures described above accurately reflect the Foundation's funding of Chapter program initiatives.
- B. Each party may disclose the terms of this MoU to the Sorority or any other third party in the normal course of business.
- C. This MoU shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of law principles; venue for any legal proceedings arising from this agreement will be exclusively in Denton County, Texas.
- D. This MoU is effective for two (2) years from the date signed ("Initial Term"). Thereafter, the MoU shall automatically renew for additional two-year terms, unless terminated by the parties.
- E. This MoU may be terminated without cause, by either party, upon 90 days written notice.
- F. No modification, amendment, or other alteration of this MoU shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Signatures of both the Foundation President and the Chapter President are required for amendment of the MoU.

IN WITNESS WHEREOF, this Memorandum of Understanding was duly signed and entered into by the parties on this the _____ day of _____, 20____.

WOMEN OF PEARLS COMMUNITY ACTION FOUNDATION

ALPHA KAPPA ALPHA SORORITY, INC.
TAU RHO OMEGA CHAPTER

By: _____
Mina LaGrange, President
Women of Pearls Community Action Foundation

By: _____
Gwendolyn Kimble, President
Tau Rho Omega Chapter

cc: Foundation Board Chair
Foundation Legal Advisor