

January 7-8, 2013

**ITEM 158-1005-R0113****Operating Agreement between The University of Montana and The University of Montana Foundation**

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**THAT**

The Board of Regents of Higher Education authorizes The University of Montana to enter into a new agreement with its affiliated foundation, The University of Montana Foundation. This new agreement replaces the existing agreement dated February 1, 2011.

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**EXPLANATION**

The Board of Regents Policy 901.9: Campus-Affiliated Foundations requires that MUS campuses and their affiliated foundations enter into a public, written operating agreement that (1) outlines the relationship between the two entities; (2) incorporates an appropriate balance of foundation independence and Board of Regents' oversight; and (3) defines appropriate foundation activities. The policy also requires that the agreement be reviewed and approved by the Board of Regents at least every two years.

The proposed agreement is similar to the existing agreement except for the following:

- Appendix A increases the annual fee for the services the UM Foundation provides to the University from \$425,000 to \$500,000. This amount represents 10.5% of UMF's annual operating budget. The relative size of this payment has been largely unchanged for many years.
  - Section 4.6 provides a more detailed listing of the Information Technology support provided by the University to UMF. In turn Section 5.6 details the IT support that UMF provides to the University.
  - Section 5.4 has been added to address endowment funds that UMF manages on behalf of the University.
  - The Agreement makes reference to The University of Montana's new Alumni Foundation Database Policy. This new policy describes the purpose, ownership, maintenance, access and security requirements related to the database that contains alumni as well as donor records.
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**ATTACHMENTS**

Proposed Operating Agreement between The University of Montana and The University of Montana Foundation