

January 11, 2018

ITEM 178-1902-R0118

Operating Agreement between Helena College and the Helena College Foundation, Inc.

THAT

The Montana Board of Regents of Higher Education authorizes Helena College University of Montana to enter into a new agreement with its affiliated foundation, the Helena College Foundation, Inc. This new agreement replaces the existing agreement presented to the Board of Regents in September 2014.

EXPLANATION

In 2014, Helena College University of Montana entered into a relationship with the Helena College Foundation, Inc., a private and independent Montana non-profit corporation organized to support the mission of the College through private support. As per Board of Regents Policy 901.9 Campus-Affiliated Foundations, *"campuses of the Montana University System and their affiliated foundations shall 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. This agreement shall be reviewed and approved by the Board of Regents at least every two years."*

The proposed agreement is similar to the existing agreement with the exception of the following:

- As per BOR Policy 901.9, foundations are required to provide a copy of their annual financial statement as audited by an independent accounting firm within 30 days of acceptance by its board of trustees. The Helena College Foundation is relatively new; therefore, the Office of the Commissioner has proposed the addition of the following language to provide external oversight at a cost more reasonable to the Foundation's limited assets. The reporting listed below will be obtained by the Helena College Foundation and submitted to the Board of Regents as combined assets, expenses, and revenues fall into the following ranges:
 - Zero to \$149,999 A compilation with full disclosures conducted by an independent CPA
 - \$150,000 to \$349,999 A review conducted by an independent CPA within the last 18 months
 - Greater than \$350,000 An audit conducted by an independent CPA within the last 18 months

Helena College recognizes the Helena College Foundation, Inc., as its sole affiliated foundation and seeks approval of the Operating Agreement between the College and the Foundation.

ATTACHMENTS

Attachment #1 – Operating Agreement