

MEMORANDUM OF UNDERSTANDING
ON
FISCAL SPONSORSHIP

This Memorandum of Understanding (MOU) is between NAMI Minnesota (NAMI), a Minnesota Nonprofit Corporation, and the Governance Committee of the Hennepin County Children's Mental Health Collaborative (Committee), the alliance of individuals charged with overseeing the activities of Hennepin County Children's Mental Health Collaborative (Project), a program operated within NAMI. NAMI has determined that sponsorship of Hennepin County Children's Mental Health Collaborative would be consistent with its goals and wishes to make arrangements with the Committee to be the fiscal sponsor of the Project. This MOU sets out certain understandings and agreements between NAMI and the Committee.

The parties agree as follows:

- I. Term of Agreement. As of August 1, 2021 NAMI agrees to become the fiscal sponsor of the Project. This MOU will continue until it is terminated in accordance with Section VI.

- II. Responsibilities and Delegation.
 - a. As the fiscal sponsor, NAMI agrees to assume administrative, programmatic, financial, and legal responsibility for purposes of the requirements of funders. NAMI Minnesota agrees to provide services and administrative support to the Committee for the Project, in accordance with the terms of this agreement and with any requirements imposed by funding organizations and state and federal laws governing nonprofits. NAMI will establish and operate for the use of the Project a designated account ("Account") segregated on NAMI's books. All amounts deposited into the Account will be used in support of the purposes of the Project, and subject to the conditions set forth below.
 - b. The management of the program activities of the Project is delegated by NAMI's Board of Directors to the Committee, subject to the ultimate direction of NAMI's Board of Directors. The Committee is a group of individuals whose make-up is determined both by statute and a Governance Agreement between participating public and private agencies. Solely for matters governed by this MOU, the Committee shall function as a separate unincorporated association for the limited purpose of holding, exercising, and enforcing contractual duties and obligations NAMI may owe to the Committee under this MOU.

- III. Project Activities. All programs, public information, fundraising events, processing and acknowledgment of cash and noncash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of Project funds, and other activities conducted by the Committee on behalf of Project shall be the ultimate responsibility of NAMI. NAMI and the Committee shall abide by the Administrative Terms, attached and incorporated by reference to this MOU, which may be amended from time to time by mutual written

agreement of both parties. Any tangible or intangible property, including intellectual property obtained from third parties or created in connection with the Project are the property of NAMI.

- IV. Performance of Charitable Purposes. Project shall be operated in a manner consistent with NAMI's tax-exempt status and as described in this agreement. No material changes in the purposes or activities of the Project shall be made without prior written permission of NAMI and in accordance with any requirements imposed by funding organizations, nor shall the Committee carry on activities or use funds in any way that jeopardizes NAMI's tax-exempt status. The Project shall not carry on any activity that would constitute participation or intervention in a political campaign on behalf (or in opposition to) any candidate for public office or otherwise engage in the carrying on of propaganda (within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986).
- V. Variance Power. NAMI has the right to spend any money raised for Project to accomplish the purposes of the Project as nearly as possible, within NAMI's sole judgment, subject to any donor-imposed restrictions on the charitable use of the assets. All money and the fair market value of all property received for Project are reported as the income of NAMI, both for tax purposes and for purposes of NAMI's financial statements.
- VI. Termination. This agreement will be reviewed annually and will terminate, subject to the restrictions in this Section VI, if any of the following events occur:
- a. NAMI requests the Committee cease activities that it deems might jeopardize its tax-exempt status and the Committee fails to comply within a period of ten days.
 - b. The Committee fails to perform or observe any other material covenant of this agreement, and this failure remains unremedied fifteen days after notice in writing.
 - c. Upon expiration of four weeks after either the Committee or NAMI has given written notice of its intent to terminate the agreement.

Termination will only occur so long as another organization acceptable to the parties is found that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, is not classified as a private foundation under Section 509(a) of the Code (a Successor) and that is willing and able to manage the Project. As used in this Paragraph, "able" shall mean that the Successor has charitable purposes compatible with the purposes of the Project and has the financial and administrative capacity to competently manage it. The balance of the assets dedicated to the purposes of Project, together with any other tangible and intangible assets held and liabilities incurred by NAMI in connection with operating the Project, shall be transferred to Successor at the end of the notice period or any extension of that period, subject to the approval of any third parties (e.g., funding organizations) that may be required.

- VII. Miscellaneous. Each provision of this MOU shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This MOU

shall be governed in all respects by, and be construed in accordance with, the laws of the State of Minnesota.

The parties have executed this MOU effective on the day and year first written above.

Accepted for NAMI Minnesota:

Authorized signer

Date

For Hennepin County Children's Mental Health Collaborative:

Authorized signer

Date

ADMINISTRATIVE TERMS

1. NAMI will:
 - a. The Board of Directors will annually approve a project budget to carry out the activities of the Hennepin County Children's Mental Health Collaborative.
 - b. Provide financial reports to the Committee no less than quarterly, and otherwise as requested by the Governance Committee. The Board of Directors will regularly review these financial reports, as a part of the review of NAMI's overall financial reports. All financial records will be maintained according to generally accepted accounting principles, retained as long as required by law, and made available to auditors as required by law.
 - c. Provide oversight related to staffing, financial decisions and work plans related to Hennepin County Children's Mental Health Collaborative.
 - d. Cut checks and process invoices in a timely manner related to Hennepin County Children's Mental Health Collaborative.
 - e. Review and process contracts and grant agreements necessary to carry out the activities of the Hennepin County Children's Mental Health Collaborative.
 - f. Charge an administrative fee of \$400/month.
 - g. Cooperate with the Governance Committee to comply with requests for inspection of the books and records of the Hennepin County Children's Mental Health Collaborative.

2. The Governance Committee will:
 - a. Retain responsibility for the daily management of the activities of Hennepin County Children's Mental Health Collaborative. The Committee designates the Coordinator to act as the authorizing official. The authorizing official shall act as principal coordinator of the Hennepin County Children's Mental Health Collaborative's daily business with NAMI and shall have authority to sign disbursement requests [note that at no time should a person approve their own disbursement].
 - b. Recommend selection of and provide daily management of staffing for Hennepin County Children's Mental Health Collaborative, subject to NAMI's personnel policies and procedures.
 - c. Develop a strategic plan and work plan for Hennepin County Children's Mental Health Collaborative.
 - d. Develop and provide oversight of an annual budget that fulfills the requirements of the funders of Hennepin County Children's Mental Health Collaborative.
 - e. Identify and approve grant submissions, to be approved of and submitted by NAMI, in support of the work of Hennepin County Children's Mental Health Collaborative.
 - f. Provide NAMI with all information and prepare all reports, including interim and final reports, required by funding organizations, with NAMI's assistance and final approval. A yearly report of activities and programs will be provided to NAMI.
 - g. Provide notice to and obtain consent from NAMI prior to: making any significant change in structure, including incorporation; creation of tangible or intangible assets (including

intellectual property rights); creating any liability or obligation without NAMI's prior consent, including contractual obligations.