Joint Agreement between
The Trustees of Mount Holyoke College
And
The Board of Directors of the
Alumnae Association of Mount Holyoke College

November 2017

This agreement between the Trustees of Mount Holyoke College (hereinafter, the **College**) and the Board of Directors of the Alumnae Association of Mount Holyoke College (hereinafter, the **Association**) takes effect on November 1, 2017. It supersedes all previous agreements except the MOU regarding insurance issues dated March 21, 2013 which will expire on December 31, 2017.

I. GENERAL PRINCIPLES

The Agreement below is designed to reflect the following principles guiding the relationship between the two organizations. The College and the Association share a long history and a common goal—the long-term success of the College and its alumnae. This shared goal means that both organizations shall work together cooperatively and in a climate of genuine respect and trust.

1. The Association is a separate, tax-exempt charitable organization, fostering lifelong learning and empowering alumnae to connect with each other and the College. It operates independently from the College in the following ways:
    a. an independent Board of Directors with oversight responsibility (hiring, firing, managing) for Association employees, including the Association's Executive Director who has management responsibility for Association staff and operations;
    b. an Executive Director and Association employees who represent the Association on campus and with alumnae;
    c. a Communications and Quarterly Committee that provide oversight, editorial guidance, and staff support for Association channels of alumnae communication, including the Quarterly and the Laurel Chain;
    d. other Association committees whose membership and functions are determined by the Association's Board of Directors; and
    e. an Alumna Trustee elected annually by the Association membership for a five-year term on the College's Board of Trustees, nominated by the Association following consultation with the College's Board of Trustee's Nominating and Governance Committee.
2. Alumnae are a key constituency of the College, and engagement of alumnae is vital to the College's educational mission. Continued alumnae engagement with and support of the College is critical for its long-term success. The accuracy of biographical, contact, and engagement data on alumnae is of utmost importance to both the Association and the College. Both organizations require efficient full access to these data in order to carry out their work.
3. The College and the Association are equally vested in the goal of ensuring that alumnae are well informed about the academic and co-curricular activities of the College and the activities and achievements of current and prospective students, faculty, staff, and alumnae.
4. Prudent, efficient stewardship of resources and fiscal sustainability are important objectives for both organizations and require cooperation and alignment between the operations and finances of the College and the Association.
5. Both organizations need reliable systems for determining their annual expenses, for generating their annual operating income, and for maintaining an ongoing relationship with alumnae of the College.
6. The Mount Holyoke Fund is the focus of alumnae annual giving to the College. The College manages

all fundraising for the Mount Holyoke Fund. The Association no longer fundraises to support its core operations and does not engage in any competitive fundraising with the College.

7. The Association needs a reliable source of funding to offer programs and provide services to alumnae. The Association participates in the College's annual planning and budgeting process. In developing the organization's annual budget, the Association is committed to considering funding from all sources, including but not limited to the Founder's Fund.
8. The College and the Association are committed to implementing the recommendations outlined in The Commission Report on the Relationship between the College and the Association dated June 30, 2016. The work of implementing the Commission recommendations is underway and ongoing. As this work is completed, there will be changes to the Association's and the College's operations and, therefore, to each organization's operating expenses. These changes will be integrated into the annual budgeting process.
9. The Association and the College pledge to continue to work together cooperatively, constructively, and in good faith toward their shared goals.

II. HUMAN RESOURCES AND FINANCIAL SYSTEMS

As recommended by the Commission on the Relationship between the College and the Association, the two organizations have agreed that the College has the resources and staff expertise to efficiently manage human resource and financial systems for the Association.

1. Beginning on January 1, 2018, all Association employees will become Mount Holyoke employees who work for the Association (referred to as **Association employees** herein). Association employees will be on the College payroll; their compensation and benefits shall be charged to the Association's operating budget. The College agrees to fund the costs associated with administering the payroll, benefits and administration of human resources matters for all Association employees; such costs shall not be passed onto the Association. The Association will provide a list of Association employees and their compensation to the College annually, to clarify those that are covered by this Agreement. The Association will notify the College of any changes to this list utilizing normal College policies and procedures for payroll processing.
2. The Association agrees to comply with all College written policies and practices governing human resources administration. Examples of these policies include but are not limited to those listed on the College staff handbook, salary and benefit administration policies, leave policies, and other policies such as travel and entertainment and ergonomic equipment.
3. The College agrees to comply with all legal requirements pertaining to the employment of Association employees.
4. The Association and the College agree that Association employees are prohibited from performing any services or activities that would jeopardize the federal, state and local tax exemptions of the Association and the College.

5. The Executive Director of the Association is the Chief Executive Officer of the Association , is selected by its Board of Directors (hereinafter, **the Board**), is supervised by and reports to the Board and serves at the pleasure of the Board.

6. The Executive Director will also be treated as a divisional manager within the College organizational structure, reporting to the President of the College. The Executive Director will manage, hire and dismiss Association employees in accordance with College written personnel policies and procedures. If the Executive Director is not operating within College policies and procedures related to Association employees and the dispute resolution mechanism noted in item 4 of the GENERAL PROVISIONS section of this agreement has not been effective, then the President of the College has authority to act with respect to Association employees. The President may delegate this responsibility to the Vice President for Finance and Administration in certain circumstances when time is of the essence. The President of the College also has authority to recommend corrective action with respect to alleged legal or College policy violations by the Executive Director, and the Association shall indemnify the College for any losses and reasonable expenses incurred by the College if the Association chooses not to follow the President's recommendation except to the extent such losses or expenses arise out of acts or omissions of the College, or are covered by insurance.

7. The following costs typically related to employees will be included in the operating budget of the Association:
   i. Computer replacements in Association offices.
   ii. Office equipment, including computers, copiers, printers and office furniture.
   iii. Office supplies, including printer cartridges.

8. Reasonable legal fees resulting from a complaint threatened or filed by an Association employee will be charged to the Association, except to the extent that the complaint arises out of an act or omission of the College, or are covered by insurance.

9. If at any time, the agreement is dissolved, the College will not be responsible for separation expenses for Association employees, if any, or for employing Association employees in positions at the College or elsewhere.

10. The Association's financial system will be transitioned to the College's finance department between January 1, 2018 and June 30, 2018, with the College providing financial system support to the Association beginning July 1, 2018.

11. In return for providing these services to the Association, the College's contribution to the Association will no longer include funds for either dedicated financial or HR management after June 30, 2018.

III. FINANCE

1. Using the approach piloted in FY18, the Association will participate in the College budget process utilizing a similar budget format as is used by other College departments that have multiple funding sources (e.g., College budget, restricted funds, outside revenue, etc.) and to be agreed on by the Executive Director of the Association and the Vice President for Finance and Administration of the College. The current budget model is included in the Appendix.

a. The budget process at the College begins in December and continues throughout the spring. The Association will complete a detailed budget request, using the budget model agreed upon, that will then be compiled with all other College budget requests and discussed with the Association Board and College Officers. The Association's budget request will include an analysis of all its funding sources, including plans for the use of the income generated by the Founder's Fund. The College understands that use of the Founder's Fund is guided by the Association's Founder's Fund Investment and Spending Policy and applicable laws.

b. The College's contribution to the Association for the following fiscal year will be included in the proposed budget presented to the College Board of Trustees at their May meeting.

c. The Association agrees that if in any fiscal year the contribution is not spent for purposes described in the budget process, the unspent funds will be returned to the College no later than 45 days following the conclusion of the FY.

d. If there is a need for a significant College mid-year budget adjustment, the budget instructions for the Association will be consistent with that given to all other College departments, to the extent feasible. Those instructions may include, among other options, a hiring freeze for open positions or a reduction in operating expenditures for the balance of a fiscal year.

e. In the case where there is disagreement between the amount requested by the Association and the amount to be funded by the College, the two entities agree to utilize the dispute resolution mechanism noted in item 4 of the GENERAL PROVISIONS. If the disagreement remains unresolved, the College will spread the impact of any difference between the amount requested and the amount awarded over a period of no less than 3 years and no more than 5 years, absent emergency circumstances.

2. The College will continue to provide without charge space for the Association office, technology support, and other related support services, including acquiring software under relevant College license agreements. The College will perform necessary and periodic maintenance and repair work to the office space used by the Association at no charge as it typically does for administrative offices of the College. The Association will pay for all discretionary or occupant-directed improvements it may request for the space it occupies.

   For any services that the Association obtains from the College, the Association agrees to comply with all applicable College policies and practices governing such services.

3. The Association agrees that it will limit its fundraising activities to advertisements in the Alumnae Quarterly for the Founder's Fund, except as further permitted in paragraph 5 below, and any such fundraising efforts will be clearly distinguished from those of the College. The College may also advertise in the Alumnae Quarterly for fundraising purposes. The Association shall continue to collect registrations for its alumnae reunions and travel program and shall continue to collect fees for other events and activities provided by the Association.

4. The name "Alumnae Fund" will not be used by either the College or the Association without the written agreement of both parties.

5. The Association may, with the prior concurrence of the College's Vice President for Advancement (or designee) solicit funding from corporations and foundations and seek out additional revenue streams that may be available through corporate funding or sponsorship for specific conferences or programs. These grant applications will be reviewed in advance by the Vice President or designee on a case by case basis and will not compete with current, or future, College fundraising efforts. The Association will collaborate with the College's Vice President or designee on any such submission or outreach.

6. **Insurance:** As of January 1, 2018, the College will include the Association and its Clubs and Classes on all insurance policies, including its captive policies as may be applicable. The Association may request copies of the Schedule of Insurance from the Director of Compliance and Risk Management.

   The College will not charge the Association for any allocation of premium for this coverage.

   The College reserves the right to require the Association to reimburse the College for any expenses or payments, including reasonable legal fees, made to the Association related to any liability claim made by a third party against the Association that is covered by the College's captive insurance pursuant to this Agreement, except to the extent that such expenses or payments arise out of an act or omission of the College.

   The Association agrees to inform the College's Director of Compliance and Risk Management of any changes in operations or the acquisition of any property and to consult with the MHC Director of Compliance and Risk Management and the Vice President for Finance and Administration on all matters pertaining to liability claims. The Association agrees to abide by all claims reporting and management requirements on all of the College's policies provided to the Association or be responsible for any adverse financial results.

   The Association may use College vehicles in the same manner as College departments, and agrees to follow and enforce College policies governing driver credentialing, driver safety, claims reporting and vehicle use. The Association agrees that it will be responsible for any deductibles as per College policy.

IV. GENERAL PROVISIONS

1. **Indemnification:** The Association agrees to indemnify, defend and hold the College harmless from all claims and liabilities arising from the actions of Association employees, except for acts of willful misconduct or gross negligence, and except to the extent such claims or liabilities arise out of any act or omission of the College. The Association agrees to be responsible for the deductible on the College's property insurance for College personal property that is damaged in the course of being used by the Association or damage that is caused by the Association, except to the extent such damages arise out of any act or omission of the College.

   It is understood and agreed that the College shall not be responsible for any personal property owned by the Association or any employees, for any reason whatsoever, whether by the fault of the College or otherwise.

   The College agrees to indemnify, defend and hold harmless the Association for any uninsured claim, loss or liability to the extent it arises out of any act or omission of the College.

2. Both the College and the Association commit to meet annually, at the beginning of the fiscal year to 1) review the Agreement, 2) discuss any outstanding issues, and 3) discuss shared goals and annual priorities. Attendees of this meeting will include, but not be limited to, the President of the Alumnae Association, the Executive Director of the Alumnae Association, the President of the College and the Vice President for Finance and Administration of the College.

3. During the terms of the Agreement, should there be disagreement over issues as they relate to budget, collaboration, or other terms of this Agreement, both the College and the Association agree to the

following escalation structure for dispute resolution: the first level of escalation will be to a group of four, consisting of the Executive Director of the Alumnae Association, the VP for Advancement, the VP for Communications and the VP for Finance and Administration. The second level of escalation will be to the President of the Alumnae Association and the President of the College. The final level of escalation will be to the President of the Alumnae Association and the Chair of the Board of Trustees.

4. The relationship between the Association and the College under this Agreement is that of independent contractors, and they are not agents, partners, or joint venturers of one another. Neither has the authority to make expenditures or enter into any contract or agreement or to incur any debt on behalf of or in the name of the other. In addition, neither is able to commit funds or have signatory authority in the name of the other.

5. There are no third-party beneficiaries of this Agreement.

6. Neither party may assign or permit to be assigned this Agreement or any right or duty hereunder, whether intentionally or otherwise, without the prior written consent of the other party, and any attempted assignment will be void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties and their respective successors, legal representatives and assigns.

7. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, TREBLE OR OTHER INDIRECT DAMAGES OR LOST PROFITS ARISING OUT OF ANY ACT OR OMISSION UNDER THIS AGREEMENT OR IN CONNECTION WITH THE PROGRAM, REGARDLESS OF WHEN THE CLAIM IS MADE, REGARDLESS OF WHETHER THE CLAIM IS BASED UPON CONTRACT, TORT, STATUTE, STRICT LIABILITY, WARRANTY OR ANY OTHER BASIS, AND REGARDLESS OF WHETHER THE PARTY AGAINST WHICH THE CLAIM IS MADE WAS ADVISED OR OTHERWISE KNEW OF THE POSSIBILITY OF SUCH DAMAGES.

8. This Agreement represents the entire agreement of the parties concerning the subject matter addressed herein and supersedes any contemporaneous and previous negotiations and agreements among the parties, whether oral or in writing, concerning the same. Any amendment of this Agreement shall only be effective if made in writing executed by the parties.

9. No waiver of any provision or breach of this Agreement shall be effective unless the waiver is expressly made in writing executed by the waiving party. A waiver on one occasion or of one provision or breach shall not constitute a waiver on any other occasion or of another provision or breach. The provisions of this Agreement are severable, and if any provision, or any portion thereof, is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable for any reason, any remaining portions of that provision, and all other provisions of this Agreement, shall remain valid and enforceable to the fullest extent permitted by law and equity in order to give effect to the parties' intentions.

10. This Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts for all purposes, excluding such laws governing choice of law.

11. Unless expressly restricted in the provisions above, all rights and remedies pursuant to this Agreement or otherwise shall be cumulative and nonexclusive, and may be exercised, singularly or concurrently.

This agreement commences on November 1, 2017 and continues for a term of ten years. If any party wishes to terminate all or part of the agreement, a notice period of one year will be provided (absent emergency circumstances), in order to assure sufficient time for developing and implementing revised plans. The parties shall commence discussions no later than January 2027 regarding any extension, renewal or modification of this Agreement, which would become effective at the end of this agreement, provided it is in writing and mutually agreed upon.

Executed as a sealed instrument by the authorized parts of the College and the Association as of the 16th day of October, 2017.

Barbara M. Baumann

Chair, Board of Trustees

Marcia Brumit Kropf

President, Alumnae Association

APPENDIX: BUDGET MODEL

FY 20XX Budget	**Purpose/Use**	**Funds Available**	**Discretionary**	**Operating Salaries**	**Operating Expenses**
Funds Available					
Founder's Fund distribution	Board approved support for strategic one-time initiatives				
Available cash reserves	Board approved support for strategic one-time initiatives				
Total Non-operating Revenue					
Revenue and Support					
Reunion fees	Reunion programming				
Other revenues	Scarf sales and travel program used for general operations				
Total Revenue and Support					
Total Funds Available for Operations					
Operating Expenses					
Salary and benefits	Salary & benefits				
Travel, rooms and meals	Programming & alumnae volunteer travel				
Communications	Communications and branding of AAMHC				
Programming	Programming provided to alumnae and students				
Operating expenses	Materials, supplies & general expenses				
Total expenses for special projects from non-operating revenue					
Total expenditures					