



Delta College Foundation

Delta College Foundation Board
Monday, December 12, 2016

2:00 p.m.

Horton Administration Bldg.
Room 103, Boardroom

5151 Pacific Avenue, Stockton, CA 95207

Agenda

Delta College Foundation Board Members

Tom Patti, Foundation President
Businessman

Jeff Wright, Foundation Vice President
Lincoln Unified School District

Dr. Kathy Hart, Foundation Secretary/Treasurer
SJDC Superintendent/President

Dr. Elizabeth Blanchard
Stockton Ports Commissioner
SJDC Adjunct Faculty

Steve Castellanos
San Joaquin Delta College Board of Trustees

Susan Grupe DePolo
San Joaquin A+

Carl Toliver
Retired, SUSD Superintendent

Richard Vasquez, Alternate
San Joaquin Delta College Board of Trustees

SJDC Foundation Staff

Valerie Stewart-Green
Executive Assistant to the
Superintendent/President and Board of Trustees

Erica Sum
Fiscal Specialist

I. Call To Order and Roll Call

II. Public Comments and Approval of Minutes

- A. Comments from the Public
- B. Approval of the September 12, 2016 Minutes (attached)

III. Reports/Information

- A. Report by Fidel Cabuena, Director of Auxiliary Services,
Regarding The Market Actions to Increase Vendor Utilization
- B. Update on Community Foundation of San Joaquin Super Bowl
Raffle – Dr. Kathy Hart

IV. New Business - Action Items

- A. Foundation Bylaws (attached)
- B. 2016-17 First Quarter Financial Reports (attached)
- C. Gifts and Donations (attached)
- D. Extension of Master Agreement with the District
- E. Appointment of New Board of Directors Member Charles
Bloch – Seat #1
- F. Appointment of New Board of Directors Member Claudia
Moreno – Seat #9
- G. Appointment of New Board of Directors Member Patrick
Doyle – Seat #10

V. Agenda Items for Future Meetings

VI. Foundation Board Member Questions/Announcements



DELTA COLLEGE FOUNDATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

MINUTES OF THE REGULAR BOARD MEETING Monday, September 12, 2016

The regular meeting of Delta College Foundation was held on Monday, September 12, 2016 at 2:00 p.m. Public Meeting in Administration 103, 5151 Pacific Avenue, Stockton, California.

Members Present: Carl Toliver, Tom Patti, Dr. Kathy Hart, Jeff Wright, Richard Vasquez (alternate for Steve Castellanos)

Absent: Dr. Elizabeth Blanchard, Steve Castellanos, Sue Grupe DePolo

I. Call To Order and Roll Call

All members were present except Steve Castellanos, Dr. Elizabeth Blanchard, Sue Grupe De Polo

II. Public Comment

No public comments

III. Reports/Information

A. Update regarding authorized but unfilled Foundation Director seats 9 and 10

This item was pulled from the agenda by Dr. Kathy Hart.

B. Update on Community Foundation of San Joaquin 9th Annual Super Bowl Raffle

Foundation Board President Tom Patti and Superintendent/President Kathy Hart informed the Directors of the college's participation in this year's Super Bowl Raffle held by the Community Foundation of San Joaquin and encouraged their participation by purchasing and/or selling tickets. Proceeds will benefit students through the Foundation in the form of field trips and scholarships.

C. Flea Market Performance

Director of Auxiliary Services Fidel Cabuena and Charles Fregoso gave a detailed report on the current activities of The Market. Fidel informed the Directors that the issue with the City requiring vendors to hold sales licenses has been resolved.

Director Toliver thanked Fidel and Charles for their working with City staff to resolve the issue and suggested a letter be sent to the County Supervisor acknowledging their flexibility in working with the District and the vendors.

D. Passport Student Outcomes

Dr. Ginger Holden and Tina Merlino from the Planning, Research and Institutional Effectiveness office gave a Power Point presentation on the progress of the students in the Passport to College program since 2015.

E. Scholarship Ceremony

Carl Toliver thanked Dr. Hart for the invitation to attend this year's Scholarship Ceremony on August 18th in the Atherton Auditorium and the reception following the ceremony. Director Toliver stated that in his estimate approximately 700-1,000 people were in attendance to witness students receiving single and multiple scholarship awards. Director Toliver stated that the event, including the reception was a class act. Director Toliver also gave some suggestions on improving it even more for next year.

F. 6th Annual Community Philanthropy Summit—Thursday, November 10 at Hutchins Street Square

Dr. Kathy Hart informed the Directors of this year's Community Philanthropy Summit to take place on Thursday, November 10th at Hutchinson Street Square in Lodi. Dr. Hart stated that if any of the Directors wanted to attend the President's Office would purchase the tickets.

G. Sylvia and Henry Wong gift

Dr. Kathy Hart informed the Directors of the recent donation of property in the form of a house that was donated to the Foundation by Dr. Henry and Mrs. Sylvia Wong in the amount of \$89,088. The Wong's suggested that the Foundation use some of the funds for nursing scholarships but indicated the funds could be used at the discretion of the Foundation Directors.

IV. New Business – Action Items

A. Approval of the June 13, 2016 Minutes.

Director Hart motioned and Director Toliver seconded to approve the minutes of the June 13 Foundation meeting as presented. Vote: 5/0; motion carried.

Yes – Patti, Wright, Hart, Toliver, Vasquez

B. 2015-16 Year-End Financial Reports

Director Toliver motioned and Director Wright seconded to accept the 2015-16 Year-End Financial Reports as presented. Vote: 5/0; motion carried.

Yes – Patti, Wright, Hart, Toliver, Vasquez

C. Listing of New Gifts and Donations

Director Toliver motioned and Director Vasquez seconded to accept the donations as presented. Vote: 5/0; motion carried.

Yes – Patti, Wright, Hart, Toliver, Vasquez

D. Removal of Dr. Moses Elam, Director #1

Director Toliver motioned and Director Wright seconded to remove Dr. Moses Elam from the Foundation Board of Directors due to Dr. Elam's recent move out of state. Vote: 5/0; motion carried.

Yes – Toliver, Patti, Hart, Blanchard, Vasquez

E. Appointment to fill vacant seat of Director #1

This item was asked to be pulled by Mike Hill until further information is available to present.

F. Review of New Bylaws Draft Document

Mike Hill explained the process for updating the Bylaws. No action was taken on this item, and the Directors were asked to review the Bylaws to be voted on at a later date.

V. **Agenda Items for Future Meetings**

- 1) Renewal of Master Agreement with the District
- 2) The Market actions
- 3) Director#1 Appointment

VI. **Foundation Board member Questions/Announcements**

None noted

Adjourned at 4:40 p.m.



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM III.A.

SUBJECT: Report by Fidel Cabuena Director of Auxiliary Services, Regarding The Market Actions to Increase Vendor Utilization **DATE: December 12, 2016**

- A. BACKGROUND:** Each meeting the Board receives information on the financial performance of The Market. Over the last several quarters The Market performance has been somewhat erratic due to a number of factors. The Foundation Board of Directors had a number of questions regarding The Market and requested a report from Fidel Cabuena, Director of Auxiliary Services. In September Fidel provided an update to the Foundation Board of Directors and it was requested that at the December 2016 meeting a follow-up report on actions taken to enhance vendor participation be provided.
- B. BUDGETARY IMPLICATIONS:** The first priority for The Market net proceeds is to fund the Passport Program. When that obligation is fulfilled, The Market funds will be used for Foundation activities in support of the District.



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM III.B.

SUBJECT: Update on Community Foundation of San Joaquin Super Bowl Raffle

DATE: December 12, 2016

A. BACKGROUND: The Community Foundation of San Joaquin (CFOSJ) makes philanthropic giving as effective as possible. As a public charity, the community foundation provides leadership, promotes a culture of giving and cultivates resources that address the needs of our community. For the past nine years, the CFOSJ has held a Super Bowl Raffle where participating agencies sell tickets and receive 90% of the proceeds for their fundraising efforts. This year the raffle was held September 1st through December 14th. The Delta College Foundation participated in the raffle. Dr. Hart will give an update on the sale of tickets.

B. BUDGETARY IMPLICATIONS: None



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.A

SUBJECT: Foundation Bylaws

DATE: December 12, 2016

A. RECOMMENDATION: It is recommended that the Foundation Board approve the newly drafted bylaws.

B. BACKGROUND: The existing bylaws of the Foundation are outdated, reflect the combining of two different foundation constructs and are not truly representative of what the Foundation is now.

In 2011 as the Foundation was again beginning to function the Superintendent/President asked an attorney specializing in auxiliary organizations to draft a new set of bylaws. That draft was very extensive and went beyond the scope and scale of the Delta College District Foundation.

Dr. Hart and Michael Hill have spent many months going through the attorney's draft and editing out sections or references not relevant to the structure at Delta. The bylaws being recommended provide a solid basis for board and operational functions.

The draft was presented at the September 2016 Foundation Board Meeting for review and comment.

C. BUDGETARY IMPLICATIONS: N/A

**AMENDED AND RESTATED BYLAWS
OF
THE DELTA COLLEGE FOUNDATION
A California Nonprofit Public Benefit Corporation**

ARTICLE 1: OFFICES

The principal office for the transaction of the business of the Delta College Foundation ("Foundation") shall be located at 5151 Pacific Avenue, Stockton, San Joaquin County, California. The Directors may change the principal office from one location to another, and this section shall be amended accordingly.

ARTICLE 2: OBJECTIVE, PURPOSES, AND CONFORMANCE WITH LAWS, REGULATIONS, POLICIES AND PROCEDURES

The Foundation has been formed under the California Nonprofit Public Benefit Corporation Law for the purposes stated in the Articles of Incorporation. The Foundation's Articles of Incorporation provide that the Foundation is organized under California Nonprofit Public Benefit Corporation Law (Cal. Corp. Code, §§ 5110-6815) and operates exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The specific purpose of the Foundation is to advance the interests and promote the welfare of the San Joaquin Delta Community College District ("District").

The Foundation is established as an Auxiliary Organization of the District pursuant to Education Code section 72670(e) in accordance with all of the provisions of Education Code section 72670 et seq. and 5 CCR 59250 et seq. The Foundation shall meet all requirements set forth in 5 CCR 59251(b) and 59255(e) for a written agreement between the Foundation and the District, including, but not limited to, the following requirements:

- (a) The Foundation shall maintain its organization and operate in accordance with sections 170(b)(1)(A), 501(c)(3), and 509(a)(1) of the Internal Revenue Code of 1986, and Government Code section 12580 and shall maintain compliance with all requirements thereof at all times.
- (b) The Foundation shall maintain its Articles of Incorporation, Bylaws, organization and operations in accordance with Education Code sections 72670 et seq. and 5 CCR 59250 et seq.
- (c) The Foundation shall operate in compliance with applicable District Board Policy and District Administrative Procedures.
- (d) Rules and procedures for the administration of auxiliary organizations may be revised as necessary by the President/Superintendent of the District ("Superintendent/President") or designee by amendment to District Administrative Procedures. The District shall notify the Foundation Board of Directors promptly in writing of such revisions and

inform the Foundation Board of Directors of the date by which any changes in the organization's procedures must be accomplished.

ARTICLE 3: DEDICATION OF ASSETS

The assets and properties of this nonprofit corporation are irrevocably dedicated to public benefit and/or charitable purposes as stated in the Articles of Incorporation. Upon dissolution, liquidation or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to the Board of Trustees of the District. The Foundation Board of Directors shall dissolve, liquidate and wind up the corporation upon cessation of operations or loss of the corporation's status as an approved Auxiliary Organization of the District. Upon cessation of operations, dissolution, liquidation or winding up of the corporation, the assets remaining after payment or provision for payment of all debts and liabilities of the corporation shall be distributed to the Board of Trustees of the San Joaquin Delta Community College District. If the Foundation holds any assets in trust, the District shall assume the role of successor trustee if permitted by the documents establishing the trust and, if not, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of San Joaquin County, upon petition by the California Attorney General or by any person concerned in the liquidation.

ARTICLE 4: DIRECTORS

Section 4.1: Powers

- (a) General Corporate Powers. The business and affairs of the Foundation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Foundation Board of Directors ("Directors"), except as limited herein or under the Master Agreement with the District.
- (b) Specific Powers. Without prejudice to their general powers, the Directors shall have the power to:
 - (1) Select and remove the Elected Officers of the corporation; prescribe any power and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws.
 - (2) Change the principal business office from one location to another within the boundaries of the District.
 - (3) Adopt, make, and use a corporation seal and alter the form of the seal; however, the Foundation is not required to adopt, make or use a corporation seal.
 - (4) Borrow money and incur indebtedness on behalf of the corporation, subject to prior written approval by the Superintendent/President, and cause to be executed and delivered

for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt.

Section 4.2: Number of Directors

The total number of Directors (including all categories of directors) shall be not less than three nor more than 15, with the exact number of Directors to be determined by the Foundation Board of Directors from time to time. The categories of Directors shall consist of:

- (a) Elected Directors: A maximum of 12 of the Directors shall consist of members of the community who will be elected in the manner prescribed in Section 4.3. Each Elected Director shall be entitled to vote on all matters coming before the Foundation Board of Directors.
- (b) Ex-Officio Directors: The Foundation Board of Directors shall include three ex-officio members holding the following District positions who shall be entitled to vote on all matters coming before the Foundation Board of Directors.
 - (1) The District's Superintendent/President;
 - (2) One member of the District's Board of Trustees, as appointed by the President of the Board of Trustees each June; and
 - (3) One District employee appointed by the Superintendent/President who will serve as the CFO of the Foundation. The Executive Director as defined in Sections 6.5 and 6.6 shall not serve as the CFO of the Foundation.

Section 4.3: Appointment, Elections and Term of Office of Directors and Officers

- (a) The officers of the Foundation Board of Directors shall include the President, Vice President and Secretary/Treasurer which shall be the District's Superintendent/President or his/her designee. The Elected Officers of the corporation, President and Vice President, shall be chosen by the Directors, and each shall serve at the pleasure of the Foundation Board of Directors. Elected Officers will generally be elected each year at the annual meeting with terms of office lasting for one year. A Director may be elected to serve up to a maximum of two consecutive terms in the same office.

At any time when there are fewer than three Elected Voting Directors, vacancies will be filled by appointment made by the Superintendent/President.

- (b) The term of office for members of the Foundation Board of Directors shall be three years, with the terms staggered so that no more than one-third of Elected Director terms expire in any one year. The

Superintendent/President shall designate the initial length of terms as one, two or three years when making appointments so as to achieve this purpose.

- (c) Following nomination of candidates submitted with Superintendent approval, elected Directors as defined in Section 4.2(a) shall be elected by a majority vote of the seated Directors at each annual meeting, including the votes of any Director whose term of office expires with that meeting, subject to the approval of the Superintendent/President.
- (d) The President of the Foundation Board of Directors shall be selected by a majority vote of the Directors following the appointment or election of Directors at each annual meeting. The Directors shall also select a Vice President in the same manner at the annual meeting.

Section 4.4: Qualifications of Foundation Board of Directors Members

Any person 18 years of age or older may be appointed or elected to serve as an Elected Director.

Section 4.5: Vacancies

- (a) Events Causing Vacancy. A vacancy of an Elected Director position on the Foundation Board of Directors shall be deemed to exist at the occurrence of any of the following:
 - (1) The death, resignation, or removal of any Director.
 - (2) The declaration by resolution of the Foundation Board of Directors of a vacancy in the office of an Elected Director who has been declared of unsound mind by court order or convicted of a felony, or who has been found by final order or judgment of any court to have breached a duty under Corporation Code § 5231 and following of California Nonprofit Corporation Law.
- (b) Resignation. Any Director or Officer may resign, which resignation shall be effective upon receipt of written notice by the President of the Foundation Board of Directors, the Superintendent/President, the Secretary, or the Executive Director unless the notice specifies a later effective date for the resignation.
- (c) Removal.
 - (1) Any Elected Director or Officer may be removed, with or without cause, by the vote of the majority of the seated members of the Foundation Board of Directors at a special meeting called for that purpose or at a regular meeting.

- (2) Any Elected Director who does not attend three successive Foundation Board of Directors meetings may be removed from the Board by Board resolution, and will be advised of any such removal in writing by the President of the Foundation Board of Directors, unless:
 - (i) The Elected Director requests in writing a leave of absence for a limited period of time, and the leave is approved by the Directors. If such leave is granted, the number of Directors will be reduced by one in determining whether a quorum is present or not.
 - (ii) The Director suffers from an illness, injury or disability which prevents him or her from attending meetings and the Foundation Board of Directors by resolution waives the automatic removal procedure.
 - (iii) The Foundation Board of Directors by resolution of the majority of Directors agrees to reinstate the Director..
- (d) Filling of Vacancies. Any vacancy caused by the death, resignation, or removal of an Elected Director shall be filled by appointment by the Superintendent/President.

Section 4.6: Meetings; Compliance with Brown Act

All meetings of the Foundation Board of Directors and Committees of Directors shall be held in compliance with the requirements with the open meeting laws set forth in the Ralph M. Brown Act ("Brown Act") contained in California Government Code section 54950, *et seq.*

Section 4.7: Quorum

A majority of the seated Directors shall constitute a quorum for the transaction of business, except as provided in Section 4.8. Every act or decision done or made by a majority of the Directors present at a meeting held at which a quorum is present shall be regarded as the act of the Foundation Board of Directors, subject to the provisions of the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Director, if any action is approved by at least a majority of the quorum required for the meeting.

Section 4.8: Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 4.9: Compensation of Directors

The Foundation Board of Directors may authorize the advance or reimbursement of actual reasonable expenses incurred by a Director or member of a committee in carrying out his or her duties with prior approval of the Superintendent/President. Directors shall not otherwise be compensated.

Section 4.10: Conduct of Directors

- (a) No member of the Foundation Board of Directors shall be financially interested in any contract or other transaction entered into by the Foundation.

ARTICLE 5: COMMITTEES

Section 5.1: Committees of Directors

The Foundation Board of Directors may, through board action, designate one or more committees consisting of two or more Directors, and only of Directors, to serve at the pleasure of the Foundation Board of Directors ("Committee(s) of Directors"). Any member of any Committee of Directors may be removed, with or without cause, at any time by the Foundation Board of Directors.

Section 5.2: Financial and Accounting Practices

- (a) The fiscal year of the Foundation shall coincide with that of the District. The Foundation shall utilize and abide by the District's accounting system in accordance with generally accepted accounting principles. The Foundation shall adhere to the District's financial standards in order to assure the fiscal viability of the Foundation. Such standards shall include proper provision for professional management, adequate working capital, and adequate reserve funds for current operations, capital replacements, contingencies and adequate provisions for new business requirements.
- (b) An annual audit report on behalf of the Foundation will be prepared by the District, which reflects the Foundation's operations and financial status. Such audit shall be conducted as part of a fiscal audit of the District itself with assistance from Foundation staff. The audit shall be performed by a certified public accountant in accordance with auditing standards generally accepted in the United States of America. The audit shall be a public record, except as otherwise provided by law.

ARTICLE 6: OFFICERS

Section 6.1: Duties of Elected Officers

Subject to any limitations imposed under Article 9, the officers named below shall have the following authority, powers and duties:

- (a) President of the Foundation Board of Directors. The President of the Foundation Board of Directors ("President") shall preside at all meetings of the Foundation Board of Directors and the Annual Meeting of the Foundation.
- (b) Vice President of the Foundation Board of Directors. The Vice-President of Foundation Board of Directors ("Vice-President") shall have the power and authority to and shall perform the duties of the President in the absence of the President, or upon request of the President, and shall perform such other duties as may be assigned by the President or prescribed by the Foundation Board of Directors.

Section 7.1: Responsibilities of Officers

The accounting books, records, and minutes of the proceedings of the Foundation Board of Directors shall be kept at such place or places designated by the Foundation Board of Directors or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written, typed, or electronic form, and the accounting books and records shall be kept in either written typed or electronic form or in any other form capable of being converted into written, typed, or printed form.

Section 7.2: Financial Audit

The corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within 9 months after the close of the fiscal year to which the statements relate. For 3 years, such statements (a) shall be available at the corporation's principal office during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the corporation's website.

ARTICLE 8: INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 8.1: Right to Indemnification

This corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Director, or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California

Nonprofit Corporation Law.

Section 8.2: Insurance

This corporation shall have the power and shall use reasonable efforts to purchase and maintain insurance on behalf of any Director, Officer, or agent of the corporation, against any liability asserted against or incurred by the Director, Officer, or agent in any such capacity or arising out of the Director's, Officer's, or agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under Section 8.1 of these Bylaws; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any Director, Officer, or agent of the corporation for any self-dealing transaction, as described in Corporations Code §5233.

ARTICLE 9: CONTRACTS AND LOANS

Section 9.1: Contracts and Fiscal Matters

- (a) The Executive Director of the Foundation or if not a filled position the Secretary/Treasurer shall have authority to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, subject to the financial policies, procedures and requirements of the District and the approval of the Superintendent/President.
- (b) No Director or Officer of this corporation, nor any other corporation, firm, association, or other entity in which one or more of the corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this corporation, unless (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Foundation Board of Directors prior to consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Directors by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s); (iii) prior to authorizing or approving the transaction, the Foundation Board of Directors considers and in good faith determines after reasonable investigation under the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; (iv) this corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this

corporation at the time the transaction is entered into; and such transaction is approved by the Superintendent/President.

- (c) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of the corporation if it: (i) is approved or authorized by the corporation in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

ARTICLE 10: AMENDMENTS

These Bylaws may be adopted, amended, or repealed by a majority vote of the entire Foundation Board of Directors subject to the approval of the Superintendent/President.

ARTICLE 11: CONSTRUCTION AND DEFINITIONS

Section 11.1: Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

Section 11.2: Electronic Transmission

Subject to any guidelines and procedures that the Foundation Board of Directors may adopt from time to time, the terms "written," and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of the Delta College Foundation, a California nonprofit public benefit corporation, do hereby certify:

That the foregoing Bylaws consisting of nineteen pages were adopted as the Bylaws of the corporation by the Directors of the corporation on _____, and the same do now constitute the Bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this [date] .

_____[*Signature*]_____

_____[*Typed name*]_____

Secretary

EXHIBIT A

ELECTED MEMBERS OF THE FOUNDATION BOARD OF DIRECTORS

Name	Term Expires Annual Meeting
__[Name]__	__[year]__
__[Name]__	__[year]__
__[Name]__	__[year]__
__[Name]__	__[year]__
__[Name]__	__[year]__
__[Name]__	__[year]__

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Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.B.

SUBJECT: 2016-17 First Quarter Financial Reports

DATE: December 12, 2016

- A. RECOMMENDATION:** It is recommended that the Foundation Board receive the 2016-17 First Quarter Financial Report.
- B. BACKGROUND:** The Foundation operates on a fiscal year July through June consistent with the college district. Over the course of the year quarterly reports are provided to the Board. These reports are helpful in measuring performance but the final fourth quarter year-end report is the true representation of the financial condition of the foundation.
- C. BUDGETARY IMPLICATIONS:** To the degree operating results differed from what was anticipated adjustments may be necessary in the ensuing budget cycle.



Delta College Foundation

Delta College Foundation Quarterly Report

The following is a summary of revenue, expense, and net asset activity for the period ending September 30, 2016. See separate schedule IV.B.4 for Market activity.

Revenue and Support

	<u>Actuals</u>
Passport to College	\$ 51,830
Gladys L Benerd	27,311
Schultz, Earl, and Bianchi	17,521
Fundraising Revenue Restricted	30,658
Program Service Revenues Restricted	66,426
Other Revenues	-
Interest and Investment Income	3,084
Net Realized and Unrealized Gains/Losses	3,974
Other Contributions and Capital Gifts	116,842
Total	<u><u>317,647</u></u>

Expenses

Passport Student Fees	-
Student Scholarships and Grants	18,250
Student Instructional Program Support	70,730
Beneficiary Payments	1,050
Fundraising Expenses	12,425
Other Program Expenses	11,514
Total	<u><u>113,970</u></u>

Transfers

Other Transfers In	47,240
Other Transfers Out	31,285
Total	<u><u>78,525</u></u>

Excess of Revenue over Expenses	219,632
Net Assets, Beginning of Year	4,958,163
Net Assets, Period Ending 9/30/16	<u><u>\$ 5,177,795</u></u>



Delta College Foundation

Delta College Foundation Statement of Activities

The following is a summary of revenue, expense, and net asset activity by restriction type for the period ending September 30, 2016. See separate schedule IV.B.4 for Market activity.

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue			
Contributions, Gifts and Grants *	\$ 89,688	\$ 32,379	\$ 122,067
Program Service Revenues Restricted	-	66,426	66,426
Other Revenues	-	-	-
Fundraising Revenue Restricted	-	30,658	30,658
Total	89,688	129,463	219,151
Other Income			
Realized and Unrealized Gain (Loss) On Investments	-	73,568	73,568
Change In Value of Deferred Gifts	-	-	-
Interest and Dividends	-	24,927	24,927
Total	-	98,495	98,495
Expenses			
Student Fees	-	-	-
Student Scholarships & Grants	-	18,250	18,250
Program Services	-	70,730	70,730
General and Administrative	-	12,564	12,564
Fundraising Expenses	-	12,425	12,425
Total	-	113,970	113,970
Transfers			
Other Transfers In	-	47,240	47,240
Other Transfers Out	-	31,285	31,285
Total Transfers	-	15,955	15,955
Excess of Revenue over Expenses	89,688	129,944	219,632
Net Assets, Beginning of Year	71,145	4,887,018	4,958,163
Net Assets, Period Ending 9/30/2016	\$ 160,833	\$ 5,016,962	\$ 5,177,795



Delta College Foundation

Delta College Foundation Summary of Investment Performance
The following is a summary of investments by bank and program for the period ending September 30, 2016.

Morgan Stanley						
Shultz, Earl and Bianchi	Academic Scholarship	Benefit	Councils	County Treasury Councils	Bank of Stockton Passport to College	Tiaa Gref (Annuity) Marilyn Jones
\$ 826,623	\$ 439,749	\$ 1,506,412	\$ 67,109	\$ 2,659,829	\$ 1,867,755	\$ 46,879
-	-	-	-	-	17,117	-
-	-	-	-	-	-	-
Total	826,623	439,749	1,506,412	67,109	2,659,829	46,879
						7,431,473

Beginning Market Value 7/1/2016
 Bank Account Contributions
 Bank Account Withdrawals

Investment Income & Growth

Interest/Dividends
 Sales Proceeds/Redemptions
 Realized Gains/Losses
 Other Credits (includes sweeps)

4,239	2,359	8,876	459	-	8,728	182	24,844
-	-	-	-	-	-	-	-
(3,718)	(1,003)	5,030	-	-	(1,477)	(18)	(1,185)
-	-	-	-	-	-	-	-
Total	521	1,356	13,908	459	7,251	164	23,659
Unrealized Gains/Losses	17,000	5,291	13,405	(1,419)	39,354	1,123	74,753

Total Investment Income & Growth

17,521	6,647	27,312	(960)	-	46,605	1,287	98,412
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Disbursements

Fees
 Sales
 Withdrawals
 Purchases

(1,039)	(553)	(1,893)	(1)	-	(4,215)	(186)	(7,886)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(1,050)	(1,050)
-	-	-	-	-	-	-	-
Total	(1,039)	(553)	(1,893)	(1)	(4,215)	(1,236)	(8,936)

Ending Market Value	\$ 843,105	\$ 445,844	\$ 1,531,830	\$ 66,148	\$ 2,659,829	\$ 1,927,261	\$ 46,929	\$ 7,520,945
Yearly Rate of Return	1.99%	1.39%	1.69%	-1.43%	0.00%	3.19%	2.35%	1.44%

*Checking of \$(88,533.06) with Investments of \$7,520,945.83 agrees to \$7,432,412.77 Statement of Assets.



Delta College Foundation

Delta College Market 16-17 Budget and 16-17 Actuals Report

Revenue and Support

	<u>Budget 16-17</u>	<u>Actuals 16-17</u>
Other local revenues	\$ -	\$ -
Sales	619,850	120,233
Total	<u>619,850</u>	<u>120,233</u>

Expenses

Salaries and Benefits	213,877	52,384
Supplies, Food, Vehicles, Gas & Oil	14,000	1,818
Management & Staff Travel	1,250	-
Advertising Promo & Contract Services	9,700	788
Printing, Duplicating & Banking Charges	1,800	669
Refuse Disposal	18,000	5,173
Security & Fire Systems	40,000	10,444
Software, Licenses & Equipment Rental	49,060	13,253
Repairs and Maintenance Services	6,000	-
Other Misc Exp	250	-
Total	<u>353,937</u>	<u>84,528</u>
Net Market Revenue	265,913	35,705
Transfer to Passport	(265,913)	(35,705)
Net Operating Results	<u>-</u>	<u>-</u>



Delta College Foundation

Delta College Foundation Statement of Assets

The following is a summary of statement of assets by type and program for the period ending September 30, 2016.

Endowment/Wills, Trusts & Passport to College	Total	Councils - Restricted Cash and Investments	Total
Benerd Fund - Endowment	\$ 1,531,830	Academic Scholarship Council	\$ 445,844
Schultz, Earl and Bianchi - Wills, Trusts	843,105	Council Investments (Health, Ag, Eng & Culinary)	66,148
Marilyn Jones - Annuity	46,929		
Passport to College - Investments	1,927,261		
Passport to College - Amounts Due	(504,957)		
Subtotal	\$ 3,844,168		
		Other Assets	
		Restricted Savings-Chg Fund	2,599,280
		Amounts Due From Various Scholarships and Councils	316,068
		Unrestricted Operating Cash	160,904
		Subtotal	\$ 3,588,244
		Total Foundation Cash and Investments	7,432,412

Benerd Fund

The Benerd fund investments are held at Morgan Stanley. Will states: 90% the first priority shall be for grants to students to pay for child care at the CDC center now under construction. Any remainder shall be used for scholarships for students based on faculty recommendations and financial need.

Distributions can't be made from this fund if the FMV is lower than \$1,001,295 at fiscal year end.

Bianchi Fund

The Bianchi Fund investments are held at Morgan Stanley.

Will states: The estate on hand and any other property of the decedent or estate not now known or discovered should be distributed to San Joaquin Delta College, to be known as the Ruth Bianchi Scholarship Fund, the income and/or principal of said fund to be used for a student or students whose load is mostly taken in the evening on the basis of ability and need.

Joe Earl

The Joe Earl Funds are held at Morgan Stanley. These funds were given to the Delta College Foundation by Joe Earl (an adjunct faculty member) to fund scholarships. Original deposit was \$15k.

Norris and Elinor Shultz

The Norris and Elinor Shultz funds are held at Morgan Stanley. According to the will this is a revocable trust and the distribution is as follows: 1/3 to San Joaquin Delta Community College Scholarship Foundation. According to documents dated July 9, 1992, original amount of distribution is \$333,333.33.

Marilyn Jones Gift Annuity

The Marilyn Jones funds are held by the Calif. Community College League at TIAA Cref. The Community College League entered into an agreement between Marilyn P. Jones for the benefit of the Delta College Foundation. The agreement provides payments of \$4,200 annually starting on December 31, 2004 and continues for the rest of her life. According to the agreement, CCLC shall use the residuum under this agreement for the benefit of the Delta College Foundation for the purposes of funding the scholarships previously established by Marilyn P. Jones.

Passport to College

The Passport to College funds are held at the Bank of Stockton. Passport to College is funded by the Danner Trust (held at Bank of Stockton) and private donations. The Danner trust allows for distributions of up to 5% of the fair market value of the

Council Investments

These investments are held mainly at Morgan Stanley.

- 1) Culinary Arts
- 2) Health Sciences
- 3) Agriculture & Natural Resources
- 4) Engineering
- 5) Academic Scholarship Council

Restricted Savings and Amounts Due To Various Scholarships and Councils

Restricted funds which are available in accounts at Wells Fargo Bank.

Unrestricted Operating Cash

Unrestricted funds are available in accounts at Wells Fargo Bank.

Reconciliation of Net Assets

Fixed Assets	\$ -
Cash and Investments	\$ 7,432,412
Receivables	-
Total Assets	7,432,412
Liabilities	(2,254,619)
Net Assets	\$ 5,177,794



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.C.

SUBJECT: Gifts and Donations

DATE: December 12, 2016

- A. RECOMMENDATION:** It is recommended that the Foundation Board accept the gifts and donations on the attached list
- B. BACKGROUND:** One of the primary means of generating resources for the Foundation is the solicitation of gifts and donations. It is important to recognize them for several reasons; to acknowledge the donor, to understand the level and type of resources coming into the Foundation and maintain a formal record.
- C. BUDGETARY IMPLICATIONS:** Provide resources to help meet the goals of the Foundation.



Delta College Foundation

Delta College Foundation Donation Listing
Fiscal Year 2016-17

*The following is a summary of donation activity
for the period July 1, 2016 - September 30, 2016*

Donor Name	Account Name	Cash Amount
Henry & Sylvia Wong	Foundation General	89,088
Bank of Stockton	Passport to College	600
Pepsi	Passport to College	5,000
County of San Joaquin	SBDC Council	1,000
State of Ca./Dept. General Svcs	SBDC Council	1,500
Various	Hazel Hill Council	1,886
Various	Various	22,993
Total		122,067



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.D.

SUBJECT: Extension of Master Agreement with District **DATE:** December 12, 2016

A. RECOMMENDATION: It is recommended that the Foundation Board approve the 5 year extension of the Master Agreement with the District as required by the Education Code.

B. BACKGROUND: The Foundation is authorized under the Education Code and as such is required to have in place a Master Agreement with the District. The agreement cannot have a term exceeding 5 years. The current agreement expires in December 2016. The District has already taken action to extend the current agreement.

Without an agreement in place the Foundation status as an approved auxiliary would be in jeopardy.

C. BUDGETARY IMPLICATIONS: N/A

MASTER AGREEMENT
BY AND BETWEEN
THE SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT
AND
THE DELTA COLLEGE FOUNDATION

This Agreement is made and entered into on November 15, 2016, by and between the San Joaquin Delta Community College District, hereinafter referred to as "District," and Delta College Foundation, hereinafter referred to as "Foundation," a nonprofit organization established and operated to support the District. The District and the Foundation are referred to collectively herein as the "Parties."

The Foundation's Articles of Incorporation and Bylaws filed with the office of the California Secretary of State on November 5, 2003, provide that the Foundation is organized under California Nonprofit Public Benefit Corporation Law (Cal. Corp. Code, §§ 5110-6815) and operates exclusively for charitable and educational purpose within the meaning of Section 501(c)(3) of the Internal Revenue Code. The specific purpose of the Foundation, established in its Articles of Incorporation and Bylaws, is to advance the interests and promote the welfare of the District. The Foundation's Bylaws provide that upon dissolution, liquidation or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to the Board of Trustees of the District.

The Superintendent/President's Memorandum of Understanding dated July 10, 2003, provides that the Foundation was created by a merger of the predecessor Auxiliary and Scholarship Foundations as follows: "The purpose of the merger was to create one foundation entity that would serve as the umbrella 501(c)(3) for all of the different fundraising activities that are conducted on behalf of the District. It was further intended that this merger would provide dedicated staff in the form of the Executive Director of the Foundation and the Administrative Assistant to provide ongoing focus to fundraising activities and to develop new fundraising projects. Further, the merger creates a combined organization that has a broad mission that allows the District to consider new areas of fundraising."

The Foundation, through its Board of Directors, seeks to be designated by the District's Board of Trustees as an Auxiliary Organization pursuant to Education Code section 72670(e) in accordance with all of the provisions of Education Code section 72670 et seq. and 5 CCR 59250 et seq. This Agreement is intended to meet the requirements set forth in 5 CCR 59251(b) and 59255(e) for a written agreement between the Foundation and the District, which must be submitted to the State Chancellor along with copies of the Foundation's Articles of Incorporation and Bylaws.

CONFORMANCE WITH LAWS, REGULATIONS, POLICIES AND PROCEDURES

1. The Foundation shall maintain its organization and operate in accordance with sections 170(b)(1)(A), 501(c)(3), and 509(a)(1) of the Internal Revenue Code of 1986, and Government Code section 12580 and shall maintain compliance with all requirements thereof at all times.

2. The Foundation shall maintain its Articles of Incorporation, Bylaws, organization and operations in accordance with Education Code sections 72670 et seq. and 5 CCR 59250 et seq.
3. The Foundation shall operate in compliance with District Board Policy 3600 and District Administrative Procedure 3600.
4. Rules and procedures for the administration of auxiliary organizations may be revised as necessary by the President/Superintendent or designee by amendment to District Administrative Procedure 3600. The District shall notify the Foundation Board of Directors promptly in writing of such revisions and inform the Board of Directors of the date by which any changes in the organization's procedures must be accomplished.

AUTHORIZED FOUNDATION FUNCTIONS AND ACTIVITIES

5. The Foundation shall undertake the administration of its functions, instead of those functions being performed by the District, for the purpose of involving and gaining the support of alumni and members of the community and generating revenue in support of the District.
6. The Foundation will conduct activities, services, and programs authorized herein so as:
 - To provide fiscal means and management procedures that allow the District to carry on educationally related activities not normally funded by State apportionment;
 - To eliminate the undue difficulty that would otherwise arise under the usual governmental budgetary, purchasing and other fiscal controls except as expressly prohibited by the Education Code or Title 5, or the District's procedures; or
 - To provide fiscal procedures and management systems facilitating effective coordination of the Foundation's supportive activities with the District in accordance with sound business practices.
7. The Foundation's activities, services, and programs shall be conducted for the general benefit of the District and are limited to the functions set forth in 5 CCR 59259. The Foundation is authorized by the District to conduct the following services, programs and functions:
 - Solicitation and receipt of gifts, bequests, devises, endowments and trusts for the benefit of the District and its students;
 - Scholarships;
 - Community fundraising activities for the benefit of the District and its students;
 - Alumni activities;
 - Activities to build public support for the District; and
 - Public relations programs.

The disposition of net earnings derived from the operation of the auxiliary organization, including earnings derived from facilities owned or leased by the auxiliary organization, shall be dedicated solely to the services, program and functions authorized herein and the establishment of fiscally prudent financial reserves.

8. The Foundation may be authorized by the District to perform additional services, programs, and functions in one or more written contracts between the Parties. The Foundation shall provide only those services, programs, and functions authorized by a written agreement with the District.
9. The Foundation shall be responsible for maintenance and payment of its operating expenses. The Foundation may expend funds in such amounts and for such purposes as are approved by the Board of Directors of the Foundation with relation to public relations funds or other purposes which would serve to augment appropriations to the District. The Foundation shall file with the Superintendent/President a statement of its policy on accumulation and use of such funds. The statement will include the policy and procedure on solicitation of funds, source of funds, purposes for which the funds will be used, allowable expenditures, and procedures of control.
10. If the Superintendent/President determines that any activity or appropriation planned by the Foundation is not consistent with District policy, the activity or appropriation shall not be implemented. Further, should an activity or appropriation which has received approval, upon review, be determined by the Superintendent/President to be an operation outside the acceptable policy of the Board of Directors or the District, then that activity or appropriation shall be discontinued by direction of the Superintendent/President until further review is accomplished and an appropriate adjustment is made.
11. Funds of the Foundation shall be used for purposes consistent with District policy and shall not be used:
 - To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this state or any subdivision thereof or any city, municipality, or local governmental entity of any kind.
 - To make personal loans for non-educationally related purposes, except that such loans may be made when specifically authorized by a trust instrument under which funds were received.
12. The Foundation recognizes that the Board of Trustees retains the right to name all District facilities and properties consistent with District policies. The Foundation and its councils are not permitted to use the name of the District or any college associated with the District unless it is approved by the Board of Trustees. The Board of Trustees will generally require naming gifts proposed by the Foundation to meet one or more of the following criteria:
 - The name lends prestige to the District, college, staff and community and acknowledges persons who have made a contribution to benefit the advancement of education.
 - The name designates natural or geographic features.
 - The name designates the function of a facility or property.
 - The name reflects a traditional theme of the District community.
 - The name recognizes persons who have made outstanding contributions in the specific field for which the facility is established.

- The name recognizes historical events or geographical locations.
- District facilities will be named for prominent residents (or former residents) of the San Joaquin Delta College District, especially those who have contributed significantly to the development and operation of the college within the District. Facilities may be named for both living and deceased individuals. It is not permitted for facilities to be named for any person that remains actively employed by the District.

DISTRICT SERVICES PROVIDED TO FOUNDATION, FOUNDATION USE OF DISTRICT FACILITIES, AND FOUNDATION'S REIMBURSEMENT OBLIGATIONS

13. In accordance with Civic Center Act (Education Code § 82542), the Foundation may occupy, operate and use such District facilities as are mutually identified as appropriate and are consistent with the policies, rules, and regulations which have been or may be adopted by the Board of Trustees. The Foundation agrees that it will keep and maintain the described facilities in a clean and orderly condition. The District shall pay for normal, reasonably anticipated maintenance costs and repairs.
14. The District may charge the Foundation for the use and occupancy of District facilities to be used by the Foundation in connection with the performance of its functions. The District agrees to provide the Foundation with the use of office space at no charge for the 2011-12 and 2012-13 fiscal years. Thereafter, the District shall provide the Foundation with at least 90-days written notice prior to the end of any fiscal year if the District decides to charge the Foundation for the use of District facilities for the upcoming fiscal year. Such written notice, if any, shall specify the facilities to be utilized and the amount of rent to be charged on an annual basis. Any rental charge shall not require involved methods of computation.
15. The right to use any of the District facilities or equipment included in this Agreement or amendments shall cease upon written notice by the Superintendent/President that the facilities are needed for the exclusive use of the District.
16. The District and its agents shall have the right to enter District facilities utilized or occupied by the Foundation or any part thereof for the purpose of examination or supervision.
17. The District reserves the right to charge the Foundation for costs related to the excessive use or beyond normal wear and tear of District facilities utilized by the Foundation.
18. The District shall provide services performed by the District, District employees, or District agents in support of the Foundation as may be agreed by the Parties in advance in writing.
19. The Foundation shall provide full reimbursement to the District for the costs of services performed by the District employees under the direction of the Foundation including, but not limited to, the salary and benefits of Foundation support staff employed by the District. The Foundation shall reimburse the District for that portion of the employee's full-time assignment (and corresponding benefits) that is spent in providing said services. Methods of proration where services are performed by District employees for the Foundation shall be simple and equitable. Notwithstanding the foregoing requirement for full reimbursement, up to 50% of the reimbursement by the Foundation may be made in the form of non-

monetary benefits that the Foundation provides to the District, such as increased community awareness or other such benefits that are agreed upon by District officials and the Foundation. Such non-monetary benefits shall be assigned a good-faith reimbursement value by the District. The District and Foundation shall mutually determine at least annually and in all cases in advance of the performance of such services the cost and/or the method for determining the amount to be reimbursed by the Foundation for such services. The District shall not provide services to the Foundation unless the services to be provided and the Foundation's reimbursement obligations have been agreed upon in writing in advance. If the Foundation, with the approval of its Board of Directors and the Superintendent/President undertakes involvement with a specially funded program (including federally sponsored program), the Foundation and the District shall in advance of such involvement determine a mutually agreeable method of determining to what extent the Foundation shall be liable for indirect costs relating to such program.

ACCOUNTING AND REPORTING

20. The fiscal year of the Foundation shall coincide with that of the District. The Foundation and the councils which it directs shall utilize and abide by the District's accounting system in accordance with generally accepted accounting principles. The Foundation shall adhere to the District's financial standards in order to assure the fiscal viability of the Foundation and its councils. Such standards shall include proper provision for professional management, adequate working capital, and adequate reserve funds for current operations, capital replacements, contingencies and adequate provisions for new business requirements.
21. The Parties agree that the District shall provide financial recordkeeping, disbursements, cash management, and auditing functions for the Foundation as outlined in the District's Policies and Procedures. Financial activities of the Foundation shall be administered and reported in accordance with prudent business practices and generally accepted accounting principles.
22. The District shall provide to the Foundation financial statements and schedules of investments and savings at the Board of Directors meetings on a quarterly and annual basis. Transactions of the Foundation to be reported include, but are not limited to, purchases, disbursements, recording revenues, investments, and donation of assets. The District shall provide year-end reporting for the Foundation to the Board of Directors at the Foundation's first quarterly meeting at least 90 days after the end of the current fiscal year.
23. The District shall maintain adequate records and cause to be prepared an annual audit report on behalf of the Foundation, as a component unit of the District, which reflects the Foundation's operations and financial status. Such audit shall be conducted as part of a fiscal audit of the District itself with assistance from Foundation staff. The audit shall be performed by a certified public accountant in accordance with auditing standards generally accepted in the United States of America. The audit shall be a public record, except as otherwise provided by law.
24. The Foundation may hold and invest endowments and funds functioning as endowments on a long-term basis. Such instruments must be consistent with the terms of the gift instrument. Investment operation shall be conducted in accordance with prudent, sound practices to ensure that gift assets are protected and enhanced and that a reasonable return is achieved

and with due regard for the fiduciary responsibilities of the Foundation's governing board. The Business Office of the District shall review investment procedures and results annually and report findings to the Board of Directors of the Foundation, the Superintendent/President, and the Board of Trustees.

25. The Foundation may open bank accounts only for investment purposes with the approval of its governing board. The Foundation shall provide copies of all records related to such accounts to the District on a regular basis and promptly at any time upon request of the District.
26. The Foundation shall not enter into any contract or other business arrangement involving real property either by lease involving payments of more than \$25,000 per annum and duration terms of more than one year, or by purchase without prior notification and consultation with the Superintendent/President.
27. Income generated by the Foundation in excess of costs and provisions for equipment, maintenance, reserves, and working capital shall be used to benefit the District.
28. The Board of Directors of the Foundation shall establish and adopt capital provisions to insure fulfillment by the Foundation of the terms of this Agreement.
29. The Foundation shall be maintained in accordance with District policies and regulations approved by the Superintendent/President. No funds or resources, other than funds or resources derived from gifts or bequests, shall be transferred by the District to the Foundation for the purpose of either avoiding laws or regulations which constrain Community College Districts or provide the District with an unfair advantage with respect to the application of any state funding mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding and funding for programs and services for handicapped students.
30. Trust funds under the control of the Foundation shall be used specifically for the purpose designated in the instrument creating the trust.

INSURANCE, BONDING AND INDEMNITY

31. The District shall include the Foundation as a named insured under the District's insurance coverage, including self-insured programs and additional insurance policies for all of the Foundation's regular functions. When special events are sponsored by the Foundation, the District may require the Foundation to provide separate insurance coverage for the Foundation and the District protecting against liability arising from such special events. If any insurance policy is secured by the Foundation, the District shall be named as additional insured. A copy of each policy or endorsement or insurance certificates setting forth the coverage and limits shall be provided to the District within 30 days from the receipt of the document.
32. The Foundation agrees to indemnify, defend, and hold harmless the District, its officers, agents, and employees, from any and all loss, damage, or liability that may be suffered or incurred by the District, its officers, agents, and employees caused by, arising out of, or in any way connected with the use of the described facilities by the Foundation or in connection with

this Agreement.

33. Officers and staff members of the Foundation may be required to be bonded as appropriate in amounts to be determined by the Foundation's governing board. The Foundation may also obtain general liability and directors' and officers' liability insurance in amounts determined by the governing board to be reasonable and appropriate.

BOARD OF DIRECTORS

34. The Board of Directors shall include the following ex-officio members who shall have full voting power:
 - The Superintendent/President;
 - One member of the Board of Trustees, as appointed by the President of the Board of Trustees each June, who will serve as the primary appointee;
 - One member of the Board of Trustees, as appointed by the President of the Board of Trustees each June, who will serve as an alternate on the Foundation Board but who will have voting rights only when the primary appointee is unable to vote;
35. The Board of Directors shall hold at least one public business meeting each quarter held in accordance with Chapter 9 (commencing with section 54950) of Part 1 of the Government Code.
36. The Foundation shall obtain the benefit of the advice and counsel of at least one attorney admitted to practice in the State of California and at least one licensed certified public accountant. Neither the attorney nor the certified public accountant needs to be a member of the board of directors.
37. The Board of Directors will undertake training at least annually to gain awareness and understanding of the prohibitions against contracts or other transactions in which a member of the Board of Directors has a financial interest. (See Ed. Code §§ 72677-72680.)
38. Appointment to membership on the Board of Directors shall be subject to the approval of the Superintendent/President.

COMPLIANCE REVIEW

39. All Foundation procedures and practices shall be reviewed to determine compliance with Education Code Sections 72670 et seq., the policies, rules, and regulations of the Board of Governors including those set forth in 5 CCR 5952 et seq., and District Board Policy 3600 and Administrative Procedures 3600. The Superintendent/President shall designate the individual to conduct this review, which shall be conducted at the end of the first complete fiscal year after the execution of the Agreement and at least once every three years thereafter.
40. When the Superintendent/President's designee determines, after inspection and review, that certain Foundation procedures and practices are not in compliance with policies, rules, and regulations of the Board of Governors and the District, a recommendation concerning the items of noncompliance shall be communicated in writing to the Superintendent/President and

to the Board of Directors of the Foundation. The Board of Directors shall reply in writing within two months, either describing the actions which will be taken, including a timetable, to bring said procedures and practices into compliance; or describing the reasons why the Board considers the procedures already to be in compliance.

41. If the Superintendent/President's designee considers the proposed corrective actions to be acceptable, the Foundation shall be so informed. A second compliance review shall be held at the end of the time agreed to and the results communicated in writing to the Superintendent/President and to the Board of Directors.
42. When the auxiliary organization fails to provide an acceptable proposal for corrective actions or fails to implement successful corrective actions within the agreed upon time, the Superintendent/President shall inform the Board of Directors of such further action as he/she considers appropriate, which may include a recommendation to the Board of Trustees for termination of this Agreement.

DISTRIBUTION OF ASSETS UPON DISSOLUTION, CESSATION OR TERMINATION OF AGREEMENT

43. The Foundation Board of Directors shall dissolve, liquidate and wind up the corporation upon cessation of operations and/or termination of this Agreement if the term of this Agreement is not extended or if there is no successor Agreement between the Foundation and the District. Upon cessation of operations, dissolution, liquidation or winding up of the corporation, the assets remaining after payment or provision for payment of all debts and liabilities of the corporation shall be distributed to the Board of Trustees of the San Joaquin Delta Community College District. If the Foundation holds any assets in trust, the District shall assume the role of successor trustee if permitted by the documents establishing the trust and, if not, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of San Joaquin County, upon petition by the California Attorney General or by any person concerned in the liquidation.

NON-ASSIGNABILITY

44. This Agreement is not assignable by the Foundation, either in whole or in part nor shall the Foundation permit anyone else to use the described facilities or any part thereof without written permission of the Superintendent/President.

JURISDICTION

45. This Agreement shall be governed and construed in accordance with the laws of the State of California applicable to contracts made and fully performed therein, and the state and federal courts located in San Joaquin County, California and the Northern District of California shall have exclusive jurisdiction of all suits and proceedings arising out of or in connection with this Agreement. Both parties hereby submit to the jurisdiction of said courts for purposes of any such suit or proceeding and waive any claim that any such forum is an inconvenient forum.

INTEGRATED AGREEMENT

46. This Agreement represents the entire Agreement between the parties. This Agreement may not be amended, changed, or supplemented in any way except by written Agreement signed by both parties.

WAIVER

47. The waiver by either party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any subsequent or other breach or violation.

NOTICES

48. All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and received by the Foundation or the District Superintendent/President.

Notice to the Foundation shall be addressed as follows:

Foundation Chair/Board of Directors
Delta College Foundation
5151 Pacific Avenue
Stockton, CA. 95207

Notice to the District shall be addressed as follows:

Superintendent/President
San Joaquin Delta Community College District
5151 Pacific Avenue
Stockton, CA. 95207

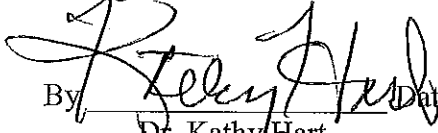
TERM OF THE AGREEMENT

49. This Agreement is for the term of five (5) years beginning on November 15, 2016. The term of the Agreement may be extended by mutual written agreement of the Parties. This Agreement may be terminated by either party giving sixty (60) days written notice prior to a fiscal year end, subject to the provisions of the Agreement governing Distribution of Assets Upon Dissolution, Cessation, or Termination of the Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the signatories hereto set forth below.

San Joaquin Delta Community
College District

Delta College Foundation

By  Date 11/18/2014 By _____ Date _____
Dr. Kathy Hart Tom Patti
Superintendent/President President, Board of Directors

176560.3 SA265-001



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.E.1

SUBJECT: Appointment of Director #1 to a New Three Year Term **DATE:** December 12, 2016

- A. RECOMMENDATION:** It is recommended that the Foundation Board appoint Charles Bloch to the position of Foundation Director #1 effective January 1, 2017. This appointment completes the three year term of this seat which began in July of 2015 and ends June 30, 2018.
- B. BACKGROUND:** This seat is currently unfilled.
- C. BUDGETARY IMPLICATIONS:** None

**San Joaquin Delta Community College District
Foundation Directors
Terms of Office**

January 16, 2015

Term Ends June 30		2015	2016	2017	2018	2019	2020
Dir 1	Bloch	X			X		
Dir 2	DePolo		X			X	
Dir 3	Toliver			X			X
Dir 4	Wright		X			X	
Dir 5	Blanchard		X			X	
Dir 6	Hart	Non-Elected					
Dir 7	District Trustee	Appointed by Board President					
Dir 8	Patti			X			X
Dir 9	Moreno			X			X
Dir 10	Doyle	X			X		
Community Seats Up for Election by Year		2	3	3	2	3	3



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
5151 Pacific Avenue, Stockton CA 95207

ITEM IV.F.1

SUBJECT: Appointment of Director #9 to a New Three Year Term **DATE:** December 12, 2016

- A. RECOMMENDATION:** It is recommended that the Foundation Board appoint Claudia Moreno to the position of Foundation Director #9 effective January 1, 2017 for a three year term ending June 30, 2020.
- B. BACKGROUND:** This seat is currently unfilled.
- C. BUDGETARY IMPLICATIONS:** None

**San Joaquin Delta Community College District
Foundation Directors
Terms of Office**

January 16, 2015

Term Ends June 30		2015	2016	2017	2018	2019	2020
Dir 1	Bloch	X			X		
Dir 2	DePolo		X			X	
Dir 3	Toliver			X			X
Dir 4	Wright		X			X	
Dir 5	Blanchard		X			X	
Dir 6	Hart	Non-Elected					
Dir 7	District Trustee	Appointed by Board President					
Dir 8	Patti			X			X
Dir 9	Moreno			X			X
Dir 10	Doyle	X			X		
Community Seats Up for Election by Year		2	3	3	2	3	3



Delta College Foundation Board of Directors

San Joaquin Delta Community College District
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ITEM IV.G.1

SUBJECT: Appointment of Director #10 to a New Three Year Term **DATE:** December 12, 2016

A. RECOMMENDATION: It is recommended that the Foundation Board appoint Patrick Doyle to the position of Foundation Director #10 effective January 1, 2017. This appointment completes the three year term of this seat which began July 1, 2015 and ends June 30, 2018.

B. BACKGROUND: This seat is currently unfilled.

C. BUDGETARY IMPLICATIONS: None

**San Joaquin Delta Community College District
Foundation Directors
Terms of Office**

January 16, 2015

Term Ends June 30		2015	2016	2017	2018	2019	2020
Dir 1	Bloch	X			X		
Dir 2	DePollo		X			X	
Dir 3	Toliver			X			X
Dir 4	Wright		X			X	
Dir 5	Blanchard		X			X	
Dir 6	Hart	Non-Elected					
Dir 7	District Trustee	Appointed by Board President					
Dir 8	Patti			X			X
Dir 9	Moreno			X			X
Dir 10	Doyle	X			X		
Community Seats Up for Election by Year		2	3	3	2	3	3