

COPY

**MASTER AGREEMENT
BY AND BETWEEN
SADDLEBACK COLLEGE FOUNDATION
AND
SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT**

THIS MASTER AGREEMENT is approved and entered into as of this 22nd day of June 2005, by and between SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT, a community college district organized and existing under the constitution and laws of the State of California (the "District"), and the SADDLEBACK COLLEGE FOUNDATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Foundation").

RECITALS

- A. The District and the Foundation desire to establish the Foundation as an auxiliary organization of the District pursuant to Education Code Section 72670 et seq. and Section 59250 et seq. of Title 5 of the California Code of Regulations.
- B. As required by Education Code Section 72670 et seq., the Board of Trustees of the District adopted implementing regulations for auxiliary organizations which require that all auxiliary organizations enter into a written agreement with the District.
- C. The District and the Foundation desire to enter into this Agreement in accordance with the District's implementing regulations.

AGREEMENT

NOW, THEREFORE, the parties covenant and agree as follows:

ARTICLE I

FOUNDATION PURPOSES AND FUNCTIONS

Section 1.1. Statement Regarding Use of Foundation. The administration by the Foundation of the functions and activities described in this Agreement, instead of administration by and through the District, is deemed to be more effective in accomplishing such functions and activities than would be possible under usual governmental budgetary, purchasing and other fiscal procedures.

Section 1.2. Foundation Functions. The Foundation will be providing services and performing the function of receiving gifts, bequests and donations for the benefit and advancement of the Saddleback College (the "College"), funding scholarships for current and prospective students at the College and providing public relations programs as described in the

Bylaws of the Foundation (the "Bylaws"), which are attached to the Agreement as Appendix A and incorporated by this reference. Other services, programs, functions or activities may be provided if first approved by the Board of Governors of the California Community Colleges and the Board of Trustees of the District.

Section 1.3. Covenant to Maintain Existence. During the term of this Agreement, the Foundation agrees to maintain its existence and to operate in accordance with Education Code Section 72670 et seq. and with Section 59250 et seq. of Title 5 of the California Code of Regulations, as well as District policy and the implementing regulations for auxiliary organizations adopted by the District.

ARTICLE II

ANNUAL AUDITS AND PROFESSIONAL SERVICES

Section 2.1. Attorney and Accountant Services. The board of directors of the Foundation shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in California and at least one licensed certified public accountant. Neither the attorney at law nor the certified public accountant need be members of the board of directors of the Foundation.

Section 2.2. Annual Audit. The board of directors of the Foundation shall cause an annual fiscal audit of the Foundation to be conducted by a certified public accountant. This annual audit may be conducted as part of a fiscal audit of the District. Copies of the annual audit report shall be submitted to the Board of Trustees of the District within thirty (30) days after it is received by the Foundation. The Foundation shall annually publish the audited statement of its financial condition. The statement shall be disseminated as widely as feasible and be available to any person on request. A reasonable fee may be charged to cover the costs of providing such copies.

Section 2.3. Annual Budget. The Foundation shall also prepare for the District an annual budget of its revenues and expenses.

Section 2.4. Foundation Records. The Foundation shall keep and maintain records and accounts of its operations, financial status and program expenditures for a period of not less than five (5) years following each budget period. Such records and reports may be maintained in the District office, subject to the terms of Article III of this Agreement. Such records and reports shall cover all activities of the Foundation whether pursuant to this Agreement or otherwise. The District shall have the right to inspect and audit such records and accounts during and/or following the close of any fiscal year following reasonable notification to the Foundation. The District shall also have the right to take custody of all records generated by the Foundation in any way relating to its administration of the services, programs, functions or activities described in Section 1.2 of Article I of this Agreement. The rights and obligations provided in this Section shall survive the termination of this Agreement.

Section 2.5. Annual Statement of Benefits. The Foundation shall provide the District with an annual statement describing the benefits and services of the Foundation to the District.

ARTICLE III

USE OF DISTRICT FACILITIES

Section 3.1. Use of District Facilities. The Foundation, separately or jointly with the District, may occupy, operate and use District facilities and property as identified in Appendix B to this Agreement which may be amended from time to time, to accomplish the purposes of this Agreement. However, the Foundation's operations under any such amendment shall be integrated with District operations and shall be under the general supervision of District officials. Furthermore, it is understood and agreed that District officers, employees and agents shall have the right to enter any such facilities or any part thereof at any time for the purpose of examination or supervision. A description of facilities to be used by the Foundation is set forth in Appendix B to this Agreement. The Foundation's use of District facilities does not establish a landlord/tenant relationship between the District and the Foundation, unless such a relationship is otherwise established by a separate written agreement entered into between the District and the Foundation.

Section 3.2. Charge or Rental. Appendix B shall set forth the charge or rental to be paid to the District by the Foundation for the use of such facilities or property. Such charge or rental may be for less than fair rental value to the extent permitted by Section 81440(b) of the Education Code.

Section 3.3. Use of Facilities. The Foundation shall use the facilities and property of the District pursuant to Appendix B only for those services and functions that are consistent with this Agreement and consistent with the policies, rules and regulations which have been or may be adopted by the Board of Trustees of the District.

Section 3.4. District Right to Terminate. The right to use any of the District facilities or property granted in Appendix B shall cease upon written notice by the District that the facilities or property are needed for the exclusive use of the District.

Section 3.5. Maintenance and Operating Expenses. The Foundation agrees that it shall keep and maintain all such facilities and property in a clean and orderly condition and shall, at its own expense, at reasonably frequent intervals and in a lawful manner, dispose of all waste from such facilities and property. The Foundation further agrees that it shall keep all such facilities and property in good repair.

Section 3.6. Third Party Agreements By Foundation. The Foundation shall not enter into any contract that would obligate the District, its facilities, equipment or personnel, without the prior written approval of the District. The Foundation has no authority to bind the District, by contract or otherwise, in any amount.

Section 3.7. Indemnification. 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, which is caused by, arising out of or in any way connected with the negligent or intentionally wrongful acts or omissions of the Foundation associated with the Foundation's use of District facilities under this Agreement.

The District agrees to indemnify, defend and hold harmless the Foundation, its officers, agents, and employees from any and all loss, damage or liability that may be suffered or incurred by the Foundation, its officers, agents and employees, which is caused by, arising out of or in any way connected with the negligent or intentionally wrongful acts or omissions of the District associated with the Foundation's use of District facilities under this Agreement

Section 3.8. Signs, Fixtures and Equipment. During the term of this Agreement, the Foundation shall have the right to erect, place and attach fixtures, signs and equipment in or upon facilities as authorized by the Chancellor of the District in writing as to number, size and location. Fixtures, signs or equipment so erected, placed or attached by the Foundation shall be and remain the properties of the Foundation and shall be removed therefrom by the Foundation upon the termination of this Agreement or written direction of the Chancellor of the District.

Section 3.9. Restoration. Upon termination of this Agreement, the District shall have the option to require the Foundation, at the Foundation's expense and risk, to restore all such facilities as nearly as possible to the condition existing prior to the execution of this Agreement; provided, however, that if the Foundation shall fail to do so within ninety (90) days after the District exercises such option, the District may restore the property at the expense of the Foundation; and all costs and expenses of such restoration shall be paid by the Foundation upon demand of the District. The District shall have the right to exercise this option within thirty (30) days after the expiration of this Agreement, but not thereafter.

Section 3.10. Survival of Rights. The rights and obligations provided in this Article shall survive the termination of this Agreement.

ARTICLE IV

REIMBURSEMENT OF DISTRICT COSTS

Section 4.1. Reimbursement for District Expenditures. The Foundation shall reimburse the District and/or the College for expenditures incurred by the District and/or the College as a result of the Foundation's activities. This reimbursement shall include, but not be limited to; custodial and other District and/or College employee services, utility costs, maintenance costs and supplies. The Foundation's reimbursement of these costs may be in the form of non-monetary benefits provided by the Foundation to the District, as authorized by California Attorney General Opinion 81 Ops. Atty. Gen. 111 (1998). The District and/or the College shall annually invoice the Foundation for such expenditures, indicating items charged and the method of determining costs. The reimbursement shall be computed on a simple but equitable basis. The Foundation shall provide this reimbursement within thirty (30) days of receipt of the invoice, either by making monetary reimbursement or by providing a statement of the in-kind contribution or benefits provided to the District by the Foundation, as may be agreed upon between the District and/or College and the Foundation.

In case of payment dispute, the Foundation shall make the District aware of said dispute upon submission of payment. If it is later determined that the Foundation's dispute is valid and that

the Foundation has overpaid, the District shall promptly reimburse the Foundation any excess payment submitted by the Foundation.

Section 4.2. Indirect Costs Relating to Federal Programs. If the Foundation administers a federally-sponsored program, it shall reimburse the District for indirect costs associated with the performance of services by District for the Foundation relating to the federally-sponsored project. Such reimbursement shall take into consideration the District's federal indirect cost rate and the approved indirect cost allocation, if any, of the federal program award. In the event that the District's federal indirect cost rate has not been determined, the District's Deputy Chancellor shall determine and specify such costs and the amount thereof. All such reimbursements shall be made by the Foundation within thirty (30) days of receipt of an invoice with a determination of such costs.

ARTICLE V

DISPOSITION OF FOUNDATION ASSETS

Section 5.1. Approval of Expenditures. The board of directors of the Foundation shall approve all expenditures and fund appropriations of the Foundation. Appropriations of funds for use outside the normal business operations of the Foundation shall be approved in accordance with policy and further consistent regulations adopted by the Chancellor of the District.

Section 5.2 Expenditures for Public Relations. With respect to expenditures for public relations or other purposes which would serve to augment District appropriations for the operation of the District, the Foundation may expend funds in such amount and for such purposes as are approved by the board of directors of the Foundation. Prior to the expenditure of such funds, the board of directors of the Foundation shall file with the Chancellor a statement of the Foundation's policy on accumulation and use of public relations funds. The statement shall 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.

Section 5.3. Disposition of Net Earnings. Net earnings derived from the operations of the Foundation shall be used solely to benefit the District and its students or used for reserves as established by the board of directors of the Foundation.

Section 5.4. Disposition of Assets Upon Dissolution. Upon dissolution of the Foundation or the cessation of its operations under this Agreement, its assets remaining after payment, or provisions for payment, of all debts and liabilities shall be distributed to a 501(c)(3) organization, which organization shall be the District if it qualifies as such at the time of disposition, for its exclusive benefit.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Term of Agreement. The term of this Agreement shall be five (5) years beginning on the first day of the month after recognition, unless sooner terminated as herein provided; provided, however, that this Agreement shall be renewed automatically for subsequent

annual periods, unless either party notifies the other party in writing not later than sixty (60) days prior to any renewal date of its intention not to renew. In any event of termination, the provisions of Section 5.4 of Article V of this Agreement (concerning the distribution of assets upon dissolution) shall survive such termination.

Section 6.2. Termination. Either party may terminate this Agreement on sixty (60) days written notice to the other party if the party to whom such notice is given is in material breach of this Agreement. The party claiming the right to terminate hereunder shall set forth in such notice the facts underlying its claim that the other party is in breach of this Agreement. Remedy of such breach within thirty (30) days of the receipt of such notice shall prevent the termination of the Agreement.

Section 6.3. Termination in Event of Foundation's Loss of Good Standing. If and when the Chancellor or other designee of the District has reason to believe that the Foundation should be removed from the District's list of auxiliary organizations which are in good standing (the "Good Standing List"), that person shall give the Foundation's board of directors reasonable notice that a conference will be held to determine whether grounds for removal of the Foundation from the Good Standing List do in fact exist. Representatives of the Foundation's board of directors shall be entitled to be present at such conference and to be heard. Based upon such conference, the Chancellor or such other District designee shall recommend to the District Board of Trustees whether the Foundation should be removed from the Good Standing List, after which the District Board of Trustees, in its sole discretion, may remove the Foundation from said Good Standing List. Notwithstanding the terms of section 6.2, above, this Agreement shall immediately terminate on the Foundation's removal from the Good Standing List.

Section 6.4. Effects of Termination. Upon termination of this Agreement, neither party shall have any further obligation hereunder except for (1) obligations occurring prior to the date of such termination; and (2) obligations, promises, or covenants contained herein which expressly extend beyond the term of this Agreement, including but not limited to those set forth in this Section. Upon termination or expiration of this Agreement, the Foundation shall within thirty (30) days of such termination or expiration (1) vacate any District facilities and/or real property the Foundation is occupying; (2) return all District equipment and supplies to the District; (3) transfer all documents and records in its possession relating to its administration of the services, programs, functions or activities described in Section 1.2 of Article I of this Agreement to the District; and (4) perform all other obligations required of the Foundation under the terms of this Agreement.

Section 6.5. Non-Assignability; Amendment. This Agreement, either in whole or in part, is not assignable by the Foundation. This Agreement may not be altered or modified except by a writing signed by the parties.

Section 6.6. Notices. Any notice, request, information or other document to be given hereunder to any party by any other party shall be in writing and shall be deemed given and served upon delivery, if delivered personally, or three (3) days after mailing if sent by certified mail, postage prepaid, as follows:

If to District:

SOUTH ORANGE COUNTY COMMUNITY
COLLEGE DISTRICT
28000 Marguerite Parkway
Mission Viejo, California 92692
Attn: Chancellor

If to Foundation:

SADDLEBACK COLLEGE
FOUNDATION
28000 Marguerite Parkway
Mission Viejo, CA 92692
Attn: Executive Director

With a copy to:

South Orange County Community
College District
28000 Marguerite Parkway
Mission Viejo, California, 92692
Attn: Deputy Chancellor

With a copy to:

Saddleback College Foundation

28000 Marguerite Parkway
Mission Viejo, California 92692
Attn: Saddleback College President

Any party may change the address or persons to which notices are to be sent to it by giving the written notice that such change of address or persons to the other parties in the manner provided for giving notice.

Section 6.7. Headings. The titles and headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify or place any construction on any of the provisions of this Agreement.

Section 6.8. No Waiver. A party's failure to insist on the strict performance of any covenant or duty required by this Agreement, or to pursue any remedy under this Agreement, shall not constitute a waiver of the breach or the remedy.

Section 6.9. Governing Law. The agreement shall be governed by and construed according to the laws of the State of California.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date set forth above.

SOUTH ORANGE COUNTY
COMMUNITY COLLEGE DISTRICT

SADDLEBACK COLLEGE FOUNDATION

By: 
Gary Poertner
Deputy Chancellor

By: 
Michelle Anstadt
Executive Director

APPENDIX A

See Attached

SADDLEBACK COLLEGE FOUNDATION ACCOUNT EXPENDITURE GUIDELINES

The Foundation shall establish accounts for expenditure of funds held within the foundation accounts, for support of college development, fundraising, or support group activities.

The following are policies and procedures for Trust Account and Restricted Revenue account administrators (or his/her designee) for use in the operation of foundation accounts.

APPROVALS

Direct reimbursements require the following signatures before final foundation approving authority: supervisor, dean, and foundation director. Computer related items need to be approved by the Director of Technology and Broadcast Services. Expenditures over \$5,000 require additional approval of the college president and/or budget manager. Person being reimbursed certifies expense was incurred for college/foundation business; dean or director of person being reimbursed approves expense is appropriate and authorized.

In order to ensure timely processing of requisitions, original receipts and/or appropriate justification must be included with the completed requisitions. Requisitions must have authorizing signatures on all requests for fund disbursements. Travel/conference requisitions must be pre-approved according to the guidelines established by Saddleback College. Failure to follow these guidelines will result in the delay of your request. Checks are normally processed once a week, generally on Tuesday.

Requests for reimbursements for items purchased and shipped to an address other than Saddleback College will not be considered for processing.

PURCHASES OF EQUIPMENT OVER \$1000

All purchases of an individual piece of equipment over \$1000 MUST be processed through Purchasing. There are no exceptions. Trust account holders may specify to the Purchasing Department the vendor and exact piece of equipment to purchase noting "no substitutions."

I. TRAVEL

It is the policy of the Saddleback College Foundation that all official travel shall be properly authorized, reported, and reimbursed in accordance with college and foundation travel regulations.

Authorization shall be obtained prior to undertaking official travel/conferences. Travelers who fail to obtain prior authorization may be liable for the expenses incurred.

In general, travel expenses will be reimbursed for actual expenses incurred. Claims for reimbursement of expenses paid for others must include the names of the persons, and itemization of the expenses and supporting documentation.

The following definitions and policies shall apply to the reimbursement of travel expenses:

1. Staff Subsistence Expenses

Subsistence expenses consist of charges for meals, lodging, and their attendant expenses and all charges for necessary personal expenses incurred while on travel status. Such expenses shall not be reimbursed if they were incurred within the vicinity of an employee's headquarters or residence, or for travel that occurs wholly between 7 am and 7 pm in a single day. An exception may be allowed for certain meals that are part of an event, and a copy of the agenda must be submitted with the expense. Original receipts with itemized expenditures must be included. Subsistence expenses are the daily rate of: \$10 breakfast, \$15 lunch and \$25 dinner.

Miscellaneous Travel Expenses

At times, while on travel status, an employee may have an occasion to meet with donors or other executives. The guidelines to be followed would be the same as stated in Foundation Entertainment Policy.

The following expenses may be reimbursed as travel expenses: charges for commercial carrier fares; rental car charges; private car mileage allowance; overnight and day parking; bridge and road tolls; necessary taxi, bus, or streetcar fares; and, all other charges essential to the purpose of official travel.

Travelers must utilize the most economical mode of transportation and the most traveled route. Expenses resulting from the extension of route for the convenience of the traveler will be borne by the traveler.

As exceptions to the above general policy regarding class of travel, the use of first-class or higher cost services may be authorized by the college president or his/her designee under special circumstances such as when first-class service is the only service offered between two points.

3. Registration Fees

Registration fees are those payments made for professional conferences or course work. Registration fees may be paid in advance through submission of a requisition. The requisition must be accompanied by supporting documentation indicating the cost of the conference/course work. This documentation may be a brochure, letter, or admission material. Registration fees must be authorized by the appropriate approving authority for the account.

4. Privately-Owned Automobiles

The basic reimbursement rate per mile shall be the current IRS allowance consistent with college policy. Under the applicable income tax regulations, travelers who claim this basic rate are not obligated to maintain records substantiating their actual costs of vehicle operation.

Persons who use private automobiles on college business are required to certify that the vehicle has the minimum liability coverage in force (not less than \$50,000/\$100,000 and

property damage insurance of not less than \$25,000.) Employees shall be required to provide certification of their insurance coverage to the foundation.

II. ENTERTAINMENT

1. Type of Expenditures

Expenses for entertainment must be directly related to, or associated with, the active conduct of official college business. When the account administrator or his/her designee acts as host, the occasion must, in the best judgment of the approving authority, be significant in the affairs of the college and not the type that the responsible individual would normally undertake in a personal rather than an official capacity. As a guide in reaching this decision, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits that are anticipated from this expenditure, the availability of funds, and the alternatives that would be equally effective in accomplishing the desired objectives.

Examples of situations meeting these criteria are:

- a. When the account administrator, his/her designee, or foundation hosts donors, prospective donors, or guests, the cost of meals, refreshment, tickets to performances or other forms of entertainment may be defrayed by the foundation account.
- b. When meetings of an administrative nature are held which are directly concerned with the welfare of the college or the foundation, the cost of meals or refreshment may be defrayed by the account. The meeting should take place over an extended period of time and the agenda should include a working meal to satisfy the requirement that the meal is part of the business function. Reimbursement will not be allowed when two or more employees from the same work location choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during regular working hours, or as a matter of personal convenience.
- c. Cost of meals or refreshments are allowable when receptions are held in connection with conferences, meetings of a learned society or organization, and fundraising events.
- d. When events in the community where prospective donors or significant community members are in attendance, the cost of meals, tickets or other expenses may be defrayed by the account. These events are considered public relations or donor cultivation activities.

2. Meeting Refreshments

- a. The SC Foundation purchases miscellaneous refreshments (coffee, tea, soda, etc.) for business meetings. These purchases include coffee, cups, sugar, cream, tea, soda, bottled water and similar items. As these items are used, names of individuals using these items are not required.
- b. Administrative meetings that are directly concerned with the college welfare may have the cost of refreshments reimbursed.
- c. Student-oriented meetings: When meetings between faculty or administrators and students are held, the cost of light refreshments may be reimbursed.
- d. Prospective donors: When the college hosts an event for the purpose of generating the goodwill of prospective donors; the cost of refreshments may be reimbursed.
- e. Receptions: The cost of light refreshments may be reimbursed for receptions held in connection with conferences, meetings or organizations, fundraising events, meetings of student organizations/groups, employee recognition or length of service awards or retirement presentations, student events such as commencement exercises, etc.

The following situations do not meet these criteria and must be treated as an exception to this policy. Advance approved must be received from the college president or designee.

- a. Entertainment of a spouse: the entertainment expenses of the spouse (or equivalent) of a guest or the official host may be reimbursed as an exceptional expense, provided such entertainment serves a bona fide college business purpose. Participation in official functions that require the attendance of a spouse may be considered bona fide business purposes. (Fundraising events, alumni gatherings, community and recruiting events are examples of activities that may require the attendance of a spouse.)
- b. Faculty/staff picnics or holiday gatherings: The cost of refreshments for employee morale functions such as a faculty/staff picnics or holiday gatherings may be reimbursed as an exceptional expense, provided it can be demonstrated that such functions serve a college business purpose. However, payment or reimbursement is **not** permitted for the following types of occasions: employee birthdays, weddings, anniversaries, farewell gatherings (other than retirement), etc.

3. Alcohol Policy

Purchase of alcoholic beverages is allowed for off campus entertainment activities. Students of the college shall not be provided alcohol from foundation accounts.

4. Payment Procedure

Entertainment expenses are paid by submitting a properly completed and approved requisition, which should state the date of the entertainment, the purpose of the entertainment, amount of expense, and type of event. A guest list containing the name, title, occupation, or group should be attached to completed check request. Original itemized receipts must support all expenses. Disbursements will be issued ONLY with original itemized receipts or an itemized invoice must substantiate all payments. Credit Card receipts and/or statements are not acceptable documentation for any payment. If a reimbursement is being requested for meals other than travel, the receipt must indicate the individuals that attended the meal and the purpose for the meeting.

5. Advances

In the course of conducting college business and special events, the vendor sometimes requires advance payments. Advances are allowed for planning and executing such events. These payments include, but are not limited to, deposits for caterers; equipment rentals; valet/parking services; facilities rentals, and florists. Proper documentation will be submitted with a check request at least 14 days prior to the event. The original receipt for advances must be submitted to the district within 5 business days following the event.

III. RECOGNITION

1. Donor/Volunteer Recognition

a. Definition: When the college receives a donation, a donor or community member may be recognized with a gift or recognition item. The occasion must, in the best judgment of the approving authority, be significant in the affairs of the college.

b. Types of Recognition

- (1) Recognition of community service, honors or awards.
- (2) Recognition of donation to the college or foundation.
- (3) Recognition of volunteer service such as hosting an event or participating in a fundraising campaign.

c. Expenditure Levels: The donor recognition item should not exceed \$100 in value for any one item. No one donor should receive more than \$600 in recognition gifts in a given calendar year.

2. Staff Recognition: An item of tangible personal property of minimum value may be presented to employees for noteworthy accomplishment, recognition of performance, or promotion. Such awards shall be non-cash, and not to exceed \$50. Example awards are flowers, tickets, fruit, books, or plaques. Recognition awards that exceed these amounts require exceptional approval from the college president.

IV. PURCHASING

Contracts

- a. The Foundation office should be contacted when an employee is asked to enter into a contract for goods and services. The contract must be approved and signed in advance by Gary Poertner, Deputy Chancellor of the SOCCCD.

V. INDEPENDENT CONSULTANTS/CONTRACTORS

1. Independent Contractor Relationship

An independent contractor relationship exists when the college has the right to control only the result of the service, not the manner of performance.

2. Independent Consultant

An independent consultant is an individual or organization outside the college of approved professional or technical competence that provides primarily professional or technical advice to the college in an independent contractor relationship.

3. Payment

Payments for independent consultants/contractors must be processed using the district's Instructions for Processing Contractor and Consultant Agreements. These instructions are available through the foundation office and can also be found on the District Business Services website. No work should be performed prior to the approval of the agreement as prescribed in these instructions. Under no circumstances can a district or college employee be employed as a consultant or contractor.

VI. TICKETS

1. General Policy

Tickets to cultural, community and other entertainment events may be purchased by the account administrator or his/her designee for donor cultivation and public relations activities. Tickets may be purchased in advance. Names of persons attending the events are not always available at the time of the purchase. The account administrator or his/her designee is responsible for maintaining supporting documentation of the names of individuals attending the events and reporting to the foundation. Receipt after purchase must be given to the foundation office within 5 days after the purchase.

2. Payment Procedure

Submitting a properly completed and approved requisition is necessary to make ticket purchases. The requisition must state the date and type of event, the location, and amount

of the expense per person. All purchases must be supported by documentation such as invitation, invoice, or event announcement.

The account administrator or his/her designee is responsible for maintaining records of individuals attending the event after the event has occurred.

VII. MISCELLANEOUS

1. Extraordinary Exceptions

Approval of exceptional expenses must be obtained at the college president level. The request for reimbursement of such expenses must include a written justification as to why the higher costs were unavoidable and necessary to achieve a college business purpose. If adequate justification exists and provided such costs are deemed to be ordinary and necessary under the circumstances, an exceptional expense may be approved. Reimbursements of exceptional entertainment expenses shall be limited to the actual costs incurred.

2. Cellular Phones

Employee Owned Telephones: The foundation will reimburse employees for Saddleback College business related calls. To be reimbursed, an on line requisition must be submitted, accompanied by a copy of the cellular phone bill, detailing the purpose of the calls.

4. Salaries and Benefits

Salary payments to an employee on the district's payroll cannot be made from the Foundation due to federal and state reporting requirements pertaining to withholding and other related taxes. All payments for employee salaries and/or benefits must be made through the District Payroll Office in accordance with established procedures. The Foundation may abate the general fund salary account(s) from which the salary was paid.

5. Memberships

Memberships or dues in educational, professional or civic organizations may be paid through Foundation accounts providing the membership benefits the college welfare, generates goodwill for the program and serves a purpose. Institutional membership must have prior and annual approval of the board of trustees.

APPENDIX B

DISTRICT FACILITIES USED BY FOUNDATION

1. Saddleback College: Administration and Governance Building Rooms 118, 119, 123.
2. Saddleback College: approximately one-sixth of Administration and Governance Building Room 124.

The District will donate the use of the above facilities to the Foundation pursuant to Education Code section 81440(a).