MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (herein the "MOU"), dated this 1st day of July, 2019, is made and entered into by the VIRGINIA CAPITOL FOUNDATION, a Virginia non-stock corporation recognized as tax-exempt under §501(c)(3) of the Internal Revenue Code as may hereafter be amended, as fiscal sponsor (herein the "VCF"), and the CITIZENS ADVISORY COUNCIL ON FURNISHING AND INTERPRETING THE EXECUTIVE MANSION (herein the "CAC"), an advisory council in the executive branch of the Commonwealth of Virginia, as the sponsored organization.

WITNESSETH:

WHEREAS, the Foundation for the Preservation of Virginia’s Executive Mansion, a former Virginia non-stock corporation, and the Virginia Capitol Preservation Foundation, a Virginia non-stock corporation, executed an Agreement and Plan of Merger dated April 10, 2006 (herein, “Merger Agreement”) to merge operations to support the historic resources on Capitol Square; and

WHEREAS the Virginia Capitol Preservation Foundation is now known as the Virginia Capitol Foundation (VCF); and

WHEREAS the Foundation for the Preservation of Virginia’s Executive Mansion transferred to the VCF certain funds pursuant to the Merger Agreement, including funds that donors had specifically restricted for use in connection with the restoration and refurbishment of Virginia’s Executive Mansion;

WHEREAS the VCF continues to administer funds previously held by the Foundation for the Preservation of Virginia’s Executive Mansion for the benefit of the Executive Mansion; and

WHEREAS, Code of Virginia § 2.2-2615 charges the CAC with certain duties including, but not limited to, promoting a greater understanding of the history and significance of the Executive Mansion, purchasing appropriate period furnishings and works of art, and facilitating the development of research and publications on the Executive Mansion’s history;

NOW, THEREFORE, in consideration of the mutual promises contained below, the VCF and CAC hereby agree as follows:

1. The VCF hereby agrees to sponsor such projects of the CAC that promote a greater understanding and awareness of the history and significance of the Executive Mansion as authorized by § 2.2-2615 of the Code of Virginia. Such projects may include, but are not limited to, educational activities, acquisition or restoration of important decorative items, furnishings, historical building fabric, and interpretation of the Executive Mansion.

2. The CAC acknowledges that projects consisting of routine maintenance, the upgrading of mechanical systems such as heating, ventilation, air conditioning, electrical and plumbing
systems, renovation of non-historical spaces, and the construction of additions are not eligible for funding from the VCF.

3. The VCF will make available to the CAC up to four percent (4%) of the Fund each year for such projects as the CAC and VCF deem appropriate within the parameters of Paragraph 1 and 2, above. Such available amount shall be determined using the average balance of the Fund as of December 31st for the three preceding years. Such available amount shall be reviewed annually by the VCF and CAC in November of each calendar year. If the CAC has requested and received funds from the VCF that remain unexpended as of December 31st of the calendar year, such unexpended funds may revert to the Fund for reinvestment.

4. The CAC shall submit written requests to the VCF to request disbursements from the Fund. The cumulative total of such disbursement requests shall not exceed the available amount as determined for the applicable calendar year. Such written requests shall include the following information: (a) the date of requisition; (b) the name, address, telephone number and email address of the supplier and its designated contact; (c) the item number and description; (d) the quantity of items requested; (e) the proposed purchase price of the item; and (f) the date the item is required. This information is needed for all purchases over $5,000.00 where multiple quotes for goods or services are required.

5. Under Va. Code § 2.2-2615(C), purchases by the CAC are exempt from the requirements of the Virginia Public Procurement Act.

6. The VCF Finance Committee shall review disbursement requests submitted by the CAC within a timely manner and notify the CAC of its decision in writing.

7. Funds disbursed to the CAC pursuant to a specific disbursement request may not be used for any purpose other than the purpose described in the disbursement request without obtaining prior written approval from the VCF.

8. The VCF recognizes that special circumstances may arise as a result of the unanticipated availability of unique decorative items and furnishings of significant historical value to the Executive Mansion. In these instances, the VCF Finance Committee will provide expedited review of the disbursement request and authorize the CAC to make an immediate requisition of such an item.

9. Upon receipt and payment of the requested item, the CAC shall provide the VCF with documentation that the goods ordered were received, that such goods met the specifications of
the purchase order, and that the invoice related to such purchase is ready for payment by the VCF.

10. All projects funded by the VCF shall be managed and operated in a manner consistent with the VCF's tax-exempt status and as described in this agreement. No material changes in the purposes or activities of the sponsored projects shall be made without prior written approval of the VCF, nor shall the CAC carry on activities or use funds in any way that jeopardizes the VCF’s tax-exempt status.

11. As required by Va. Code § 2.2-2614(A), the CAC shall not attempt to influence legislation or participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office or other engage in the carrying on of propaganda, within the meaning of § 501(c)(3) of the Internal Revenue Code or as may hereafter be amended.

12. The CAC will provide VCF with reports describing the use of the funds provided to the CAC by the VCF. The VCF Executive Director will be invited to attend quarterly CAC meetings and shall report on the investment returns and fund total following publication of the VCF annual audit.

13. The CAC designates the Executive Director of the Mansion to act as authorizing official. The authorizing official shall act as principal coordinator of the projects' daily business with the VCF, and shall have authority to sign disbursement requests.

14. The VCF and the CAC shall maintain all financial records relating to projects according to generally accepted accounting principles, retain such records as long as required by law, and make such records available to auditors as required by law.

15. In consideration of the VCF’s agreement to sponsor CAC projects, the VCF shall receive an annual fee of $1,000.00 plus 4% of any donations received by the VCF on behalf of the CAC, subject to any applicable donor restrictions.

16. This agreement will be subject to review on an annual basis.

WITNESS the following signatures:

VIRGINIA CAPITAL FOUNDATION, a Virginia non-stock corporation

By: [Signature]

CITIZENS ADVISORY COUNCIL ON FURNISHING AND INTERPRETING THE EXECUTIVE MANSION, an agency of the Commonwealth of Virginia

By: [Signature]