

Memorandum of Understanding

This Memorandum of Understanding (MOU) is dated _____ and is executed by Smoky Mountain Animal Care Foundation (SMACF), a Tennessee 501(c)(3) nonprofit organization, and Blount County, Tennessee and is effective _____.

Purpose

SMACF and Blount County seek to formalize their existing arrangement under which SMACF provides funding to and Blount County operates the Blount County Animal Center (BCAC), on the terms set out in this MOU.

In 2015, SMACF transferred a number of specifically defined functions, accountabilities, and services performed by SMACF (Functions) to Blount County. The term "Functions" includes, shelter veterinarian/veterinarian technician compensation, operational products, services, and supplies, and transport operations. To the extent consistent with this MOU and to the extent SMACF has sufficient funding, SMACF will provide the supplemental funding for Blount County to perform the Functions. Funding for the Functions, if any, will be determined annually by the SMACF Board of Directors at the Board's sole and absolute discretion.

Funding Requirements and Details

All funding provided by SMACF to Blount County will be subject to the following conditions and requirements:

1. All funds will be provided directly to the County Finance Director for processing, application and distribution.
2. A detailed quarterly summary report of purchased products and services procured using SMACF funding will be made available to SMACF for each category funded. For purposes of this MOU, a quarter shall end on, September 30, December 31, March 31, and June 30 as applicable, each year. The Board of Directors of SMACF will review the quarterly reports and use the quarterly reports to help determine future funding to Blount County. Any revenues collected by BCAC that are the property of SMACF or are to be credited back to SMACF shall be accounted for in separate General Ledger account or subaccount and not netted against any of the functional support funds provided by SMACF. BCAC shall provide a detailed reconciliation and listing of all such items quarterly to SMACF.
3. It is the goal of SMACF to provide funding to Blount County in furtherance of BCAC so long as Blount County is in compliance with this MOU and SMACF has sufficient funds available. Historical funding by SMACF to Blount County is no guarantee of future funding by SMACF to Blount County.
4. At SMACF's sole discretion, SMACF has the right to request and have performed an annual audit of all transactions utilizing SMACF funds. Any annual audit performed will be at SMACF's expense.

5. All SMACF funds provided to Blount County will go directly to an account used solely for the support of BCAC and not to the County General Fund. Any unused funds in any given period will be carried over for use in the next funding (fiscal) period. Funds provided by SMACF are earmarked for three specific categories. They are:

- (a) Shelter Veterinarian/ Shelter Veterinarian Technician Compensation
- (b) Operational Products, Services and Supplies
- (c) Transport Operations.

Due to the individual requirements of SMACF's grantors, funds provided can only be used for their specific earmarked category and Blount County cannot move funds between categories without the prior written consent of SMACF.

6. In the event actual expenses within a funded category exceed the established funding for that year, Blount County will be responsible for funding the additional expense.

County Assumed Functions and Services-SMACF Funding

1. Shelter Veterinarian/Shelter Veterinarian Technician Compensation

Blount County will employ both a full time Shelter Veterinarian and part- time Veterinarian Technician ("Vet Staff") to perform all surgical requirements, vetting and medical needs for the BCAC animal population. The Veterinarian must be a State of TN licensed veterinarian in good standing with animal shelter experience and the Veterinarian Technician must be certified.

SMACF funding will cover the salary and benefits provided by Blount County to the Vet Staff and will be dispersed semi-annually each calendar year by SMACF to Blount County. The first payment will be issued in July and the second payment will be issued in January. Blount County is solely responsible for payment of compensation to the Vet Staff, in accordance with Blount County's existing policies. SMACF will not be responsible for payroll taxes, employment taxes, or any other taxes related to the compensation of the shelter veterinarian. Per the SMACF Board, the veterinarian shall be granted three (3) weeks of annual paid vacation based on a fiscal year beginning July 1st and ending June 30th of each year.

2. Operational Products, Services and Supplies

SMACF agrees to provide the funding to cover the acquisition of operational products, services and supplies used at BCAC. "Exhibit A" attached hereto and incorporated herein details the current products, services and supplies funded by SMACF for BCAC.

3. Transport Operations

Blount County successfully operates an animal transport program providing both dogs and cats to out of state rescues that are seeking an animal population. Blount County is exclusively responsible for the billing and collection of revenues from the rescues and the payment of all expenses related to

transport activity. Animals transported are charged to the receiving rescues at a pre-determined rate and they remit the charged fees within 30 days of transport. Forty percent (40%) of transport fees collected shall be used exclusively for transport expenses, thereby reducing SMACF's funding obligation. **"Exhibit B"** details the products and services where transport expense and revenue is incurred.

A fully equipped and retrofitted Ford Transit 2500 Cargo van is used primarily for transport activities. The van is leased to Blount County for one dollar (\$1.00) annually, in accordance with a separately executed Lease Agreement. Should, for any reason, Blount County discontinue the transport program or fail to meet the minimum transport requirements, the leased vehicle will be returned to SMACF. Blount County agrees to perform and maintain regular factory recommended and all other on-going maintenance and repair and to carry the necessary insurance for all vehicles. Blount County also agrees to fully cover and insure both local drivers and drivers taking transported animals out of state. SMACF will reimburse Blount County for collision and comprehensive coverage for the transport van. Blount County is solely responsible for operating the transport program and transport van.

Disbursement Payment Calculation and Timing

SMACF will provide funding for the Vet Staff semi-annually in July and January. Funding for operational products, services and supplies as well as transport operations will be provided quarterly in July and October, January, April. Funding for each category will be established annually by the Board of Directors of SMACF and will be based on the prior year's actual expenses, compliance by Blount County with this MOU, and SMACF's availability of funds. Beginning in 2018, annual funding will be summarized in a written addendum to this MOU and will be submitted to the County by March 1 of each year.

Termination

This MOU may be terminated, with or without cause by either party, upon providing at least a 90 day written notice of cancellation to the other party prior to the termination date. In addition, the termination date must coincide with the end of a quarter (fiscal period). On the termination date, all unused funds paid to Blount County by SMACF for any and all Functions or any unused rollover funds must be returned to SMACF in cash or other certified funds.

Miscellaneous

1. **Liability.** To the extent permitted by law, Blount County hereby releases, indemnifies, waives, and holds SMACF harmless against and in respect of any and all claims or liabilities, including, but not limited to, personal injury, bodily harm, or wrongful death (including personal injury, bodily harm, or wrongful death of an employee), and/or other fees (including attorney fees), costs, actions, or lawsuits of any kind or nature whatsoever arising out of or in connection with the BCAC, this MOU, or the transactions contemplated herein.
2. **Modifications.** This MOU may not be modified or terminated except in writing and signed by both parties.

3. Construction. Each party has cooperated in the drafting and preparation of this MOU and therefore the MOU shall not be construed against either party as its drafter.
4. This MOU supersedes any prior agreement between Blount County and SMACF.
5. In connection with any litigation arising under this MOU the prevailing party or parties in such litigation shall be entitled to recover reasonable attorney fees and other expenses from the non-prevailing party or parties.

MOU Approvals & Acceptance

This Memorandum of Understanding dated _____ between Smoky Mountain Animal Care Foundation and Blount County Tennessee is hereby approved, accepted and attested to by both parties as indicated by the signatures affixed below and becomes effective _____.

Date: _____

Ed Mitchell
County Mayor, Blount County Tennessee

Date: _____

Diane D. Martin
President, Smoky Mountain Animal Care Foundation

EXHIBIT "A"

Category: Operational Products, Services & Supplies

Medical Products, Services & Supplies

- Surgery Drugs ,Equipment, Instruments and Supplies
- Medical/Vetting Equipment, Instruments & Supplies
- Heartworm Preventives and Treatments
- Flea & Tick Preventives
- Antibiotics & Medications (Other than Surgical Drugs & Supplies)
- De-Wormers
- Outside Laboratory Tests
- Outside Vet Services

Food Products

- Food Transportation
- Supplemental Food-Dog, Cat, Puppy, Kitten, Foster

Purchase/Resale Products

- Leashes
- T-Shirts
- Magnets

General Use Products & Services

- Puppy Pads/Plastic Sheeting
- Dog Behavior Training
- Safer Testing
- Collars (Orange ID)
- Paper Towels(White)
- Laundry Detergent
- Building Equipment, Supplies, Repairs and Improvement
- All Volunteer/Shelter Events

Exhibit "B"

Category: Transport Operations

Operational

- Fuel
- Food For Drivers
- Lodging For Drivers
- Drivers Compensation
- Miscellaneous Travel Expense

All Other

- Vehicle Maintenance & Repair
- Crates
- Tolls
- Supplies Such As Water Bowls, Food Bowls, Bungee Cords
- Emergency Requirements and All Other Expenses Incurred