



MEMORANDUM OF UNDERSTANDING

This Memorandum Of Understanding (the “MOU”), dated as of January 29, 2025 (the “Effective Date”), is by and between **Cities for Financial Empowerment Fund, Inc.** (the “CFE Fund”), a Delaware nonprofit corporation qualified as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), with its principal office located at 44 Wall Street, Suite 1050, New York, NY 10005 and the **City of Salinas, CA** (the “Grantee”).

WHEREAS, the CFE Fund works to support municipal engagement to improve the financial stability of low and moderate income households by embedding financial empowerment strategies into local government infrastructure (the “Purposes”).

WHEREAS, the CFE Fund has determined that the support of the Grantee in the work contemplated by this MOU furthers the exempt purposes of the CFE Fund.

WHEREAS, the Grantee has agreed to use the **Financial Empowerment Center (“FEC”)** **Planning Grant** funds provided by this MOU (the “FEC Planning Grant” or “Grant”) to support the Purposes by managing the implementation and operation of the activities set forth in Exhibit A (the “FEC Academy Phase 1 Milestone and Grantee Proposal”), Exhibit B (the “Scope of Work”) and Exhibit C (the “Model”) (Exhibits A, B and C collectively, the “Program”).

WHEREAS, the CFE Fund and the Grantee desire to enter into this MOU to provide for the terms and conditions of the Grant and the Program.

1. Grant.

The CFE Fund pledges and agrees to provide the Grantee a Grant in the form of cash in an amount not to exceed TWENTY THOUSAND DOLLARS (\$20,000). Grant funds will be paid in U.S. Dollars as provided for in the Grant Payout Schedule in Section 5(c).

2. Use of Grant.

The Grant is to be used only for the purposes outlined in the Scope of Work and in accordance with Exhibit D (the “Grant Budget”). The work detailed in the Phase 1 Milestone and Grantee Proposal be executed in accordance with Scope of Work. The Grantee must obtain the prior written consent of the CFE Fund before using the Grant for goods or services outside the Scope of Work; the failure to comply with this provision may invalidate any obligation of the CFE Fund to provide the Grant and any payments requested thereunder.

3. Term.

- (a) The term of the Grant (the “Term”) will begin as of the Effective Date and end no later than January 30, 2026. Any funds not used by the end of the Term toward the purposes of this Grant will be returned to the CFE Fund within thirty (30) days after the end of the Term unless otherwise agreed upon by both parties in writing in advance.
- (b) This MOU may be terminated at any time prior to its scheduled termination as set forth above:
 - (i) By either the CFE Fund or the Grantee without cause by giving the other party thirty (30) days’ prior written notice;
 - (ii) Immediately by a non-breaching party following a material breach of this MOU by the other party and the expiration of a ten (10) day “cure” period after the non-breaching party shall have given notice to the breaching party of such breach; or;
 - (iii) Immediately by the CFE Fund when its objectives can no longer be advanced through the relationship set forth in this MOU, including, without limitation, by the Grantee’s administration of any Vendor Contract (as defined below).

4. Vendor(s).

- (a) The CFE Fund hereby appoints the Grantee as its sole and exclusive agent with respect to any community-based 501(c)(3) organizations, governmental organizations, consultants, or other private entities (each a “Vendor”) engaged by the Grantee to support the implementation of the Program. Each Vendor may rely upon the direction and instruction of the Grantee.
- (b) The Grantee shall administer all aspects of each contract entered into with any Vendor for purposes of this MOU (the “Vendor Contracts”), including, without limitation, payment of Vendor(s)’ invoices, managing and overseeing the performance of each Vendor under the Vendor Contracts and monitoring such Vendor’s adherence to its duties, obligations and responsibilities thereunder, including appropriate insurance.
- (c) Notwithstanding the above, Grantee shall notify CFE Fund in timely, written manner of any Vendors engaged for the purposes of this MOU.

5. Conditions of Disbursement of Grant.

- (a) Grantee shall be eligible to receive funds upon full execution of this MOU, which includes a Scope of Work (Exhibit B) and Budget (Exhibit D).
- (b) Disbursements of the Grant shall be subject to the fulfillment of the following

conditions:

- (i) Satisfactory performance of this MOU in accordance with the Scope of Work.
- (c) Payout Schedule: 100% of funds (\$20,000) will be paid upon full execution of this MOU. The Grantee will be responsible for providing a final accounting at the end of the Term of how Grant funds were spent.

6. Payment of Grant.

Subject to the fulfillment of the conditions set forth in Section 5:

- (a) The CFE Fund can make payment in one of two ways. Please initial in ONE of the boxes to select the requested payment option.
 - a. For electronic payment: The CFE Fund will make an electronic payment through the CFE Fund's payment system, bill.com. The Grantee authorizes the below employee to create an account and enter the Grantee's appropriate bank routing and account number into bill.com. The Grantee will ensure that account information in bill.com is accurate throughout the life of the Grant.

Initial Here for
Electronic Payment and to
Authorize Employee

- b. For payment by check: The CFE Fund will issue a check to the Grantee at the address provided:

Initial Here for
Payment by Check

- (b) The CFE Fund's ability to pay out this Grant is dependent on the timely receipt of Grant funding from institutional funder(s). In the event that the CFE Fund has not received sufficient or timely funding from these funder(s), the CFE Fund may elect to postpone, reduce, or eliminate this Grant prior to disbursement.

7. Covenants.

During the Term, the Grantee is expected to adhere to the terms and conditions below and outlined in Exhibit B (the “Scope of Work”) or as set forth in Exhibit A (the “Phase 1 Milestone and Grantee Proposal”). Failure to adhere to these conditions will constitute an act of default and result in the Grantee’s obligation to return part or all of the Grant funds to the CFE Fund and the termination of any obligation of the CFE Fund to pay subsequent invoices submitted after such default. In such a case, the CFE Fund will determine in its sole and absolute discretion the percentage of the Grant to be returned. Cessation or reclamation of Grant funding by the CFE Fund may also result in the Grantee’s elimination from consideration for investment from the CFE Fund in any other form. In the event that the CFE Fund terminates the Grant as provided herein, the Grantee shall return any unspent Grant funds (provided, that any Grant funds that were spent must have been spent in accordance with this MOU) to the CFE Fund within the time period specified by the CFE Fund upon termination.

During the Term and beyond as applicable, the Grantee under this MOU agrees to:

- (a) Coordinate the overall implementation of the program planning with respect to the Scope of Work.

The Grantee will oversee and direct the work of any Vendors with respect to the Scope of Work and the Phase 1 Milestone and Grantee Proposal, including Vendor(s), if any. In particular, the Grantee will monitor and manage any Vendor(s) to ensure proper implementation in conformance with the Scope of Work and will serve as the main point of contact with the Vendor. The Grantee and its Vendor(s), if any, will draft and sign an agreement that will memorialize this understanding and share a copy of their agreement with the CFE Fund upon request.

- (b) Adhere to the uses of the Grant detailed in the Scope of Work.

- (i) This Grant is made only for the purposes of implementing the Scope of Work pursuant to the Phase 1 Milestone and Grantee Proposal this MOU. Any Grant funds not expended or committed for these purposes within the Grant Term will be returned to the CFE Fund. Any prospective changes in the use of this Grant totaling over ten percent (10%) of any individual budget line in the Grant Budget must be submitted in writing to and approved in advance by the CFE Fund.

- (ii) The Grantee will provide immediate written notification to the CFE Fund if significant changes or events occur during the Term which could potentially impact the progress or outcome of the Grant, including, without limitation, changes in the Grantee’s or any Vendor(s)’ management personnel or lead staff member(s) responsible for implementing the Program, loss of funding or other extenuating circumstances which could affect the Grant Budget or any Vendor(s)’

budget. The CFE Fund, in its sole and absolute discretion, will determine if requests for budget modifications are warranted.

(c) Adhere to the following:

- (i) If applicable, confirm the tax-exempt status of any fiscal conduit at the time of the Grant and any payment thereunder.
- (ii) If applicable, to the extent that any Vendor is a tax-exempt entity, to confirm the tax-exempt status of such Vendor at the time of the Grant and any payment thereunder, and ensure that each such Vendor is maintaining all authorizations, filings, exemptions, insurance, etc. required of a Vendor to perform its duties within and outside this MOU.
- (iii) The Grantee also agrees to provide immediately any correspondence from the Internal Revenue Service or other related agencies regarding the above.

(d) Cooperate in the monitoring, evaluation, and reporting of work, as detailed in the Scope of Work and as set forth in Exhibit E (“Reporting”).

(e) Adhere to the CFE Fund financial compliance stipulations.

- (i) The Grantee will maintain financial records to clearly account for the Grant funds from the CFE Fund and proper expenditures in furtherance of the Grant. The Grantee shall retain and maintain adequate records to substantiate such expenditures according to generally accepted accounting practices. The Grantee shall retain original substantiating documents related to the specific Grant expenditures and make these records available to the CFE Fund and Bloomberg Family Foundation (“Foundation”) upon request.
 - (ii) The CFE Fund reserves the right to audit the Grantee’s financial and other records to ensure the proper utilization of its Grant funds. During and at least three years following the end of the Grant Term, the Grantee must maintain records showing, separately from other accounts kept in its books and records, the receipt and expenditure of the CFE Fund Grant funds.
- (f) Adhere to the CFE Fund’s marketing and communications guidance, as below and of any grant-relevant CFE Fund partners, as provided by the CFE Fund and as applicable (guidance may be amended, modified, supplemented or otherwise revised).
- (i) The Grantee agrees to provide details about all Grant-related marketing and communication materials and events to the CFE Fund reasonably in advance to jointly determine appropriate branding opportunities for the CFE Fund and any relevant CFE Fund partners, including the Foundation.

Materials include but are not limited to websites, newsletters, media releases, public announcements, event invitations and programs. The CFE Fund will provide specific communication protocols including language for recognizing the CFE Fund in text and logo format, as well as the Foundation. Grantee also shall provide to the CFE Fund final copies of all printed materials as part of the progress reports for the Program.

- (ii) The Grantee will request permission from the CFE Fund before using or modifying the CFE Fund, FEC Public, or FEC logos and related branded materials.
 - (iii) Any Grant-related media interviews or public announcements intended for media or public purposes must be coordinated with and approved by the CFE Fund, in advance.
 - (iv) The Grantee shall not make any statement or otherwise imply to donors, media, or the general public that the Foundation directly funds the activities detailed in the Scope of Work.
 - (v) The Grantee and its Vendor(s) may not publicly announce the receipt of this Grant or its details until the CFE Fund and its institutional funder(s) have made their official announcement or have otherwise given permission in writing.
 - (vi) Notwithstanding the foregoing, if the Grantee needs to get approval to accept/receive this Grant and/or this MOU in a public forum such as a city council, county commission, or board meeting, the Grantee may do so; the Grantee shall make best efforts to notify and coordinate with the CFE Fund in advance of any public forum at which this Grant will be discussed.
 - (vii) Execution of this MOU provides the CFE Fund and its institutional funder(s) the right to disseminate any products, outcomes, or other information related to the Grantee's efforts in any media of its choosing. Whenever feasible, the CFE Fund will share these materials with the Grantee prior to publication and give appropriate credit to the Grantee as the provider of this information. The Grantee and its Vendor(s), if any, will be expected to cooperate in any public education or outreach effort undertaken in connection with this Grant, which may include other CFE Fund programs.
- (g) Adhere to the following prohibitions on the use of the Grant. Under no circumstances may the Grantee or any other organization receiving the CFE Fund's Grant funds use these funds directly or indirectly for the following purposes or activities:

- (i) Make a Grant to an individual for travel, study or other similar purpose, as described in section 4945(d)(3) of the Code.
- (ii) Promote or engage in violence, terrorism, bigotry, or the destruction of any state, nor will it make sub-Grants to any entity that engages in these activities.
- (iii) Influence legislation, especially for the benefit of the CFE Fund or any of its affiliates or funders, including by publishing or distributing any statements, or any campaign in support of or opposition to any pending legislation.
- (iv) Any other purposes outside what is stated in the Program without express written permission from the CFE Fund.

8. Non-Impairment of Charitable Status.

The Grantee covenants and agrees that it shall take no action, omit to take any action, or engage in any activity that could impair or endanger, either directly or indirectly, the CFE Fund's exempt status under the Internal Revenue Code, or which could hinder the CFE Fund's ability to fulfill its charitable mission.

9. Confidentiality.

All reports, information or data furnished to or to be prepared or assembled under this MOU are to be held confidential, unless otherwise herein provided or subject to disclosure by law.

10. Intellectual Property.

All ownership, title, interest, and intellectual property rights of documents, templates, and other materials provided by the CFE Fund shall remain solely the CFE Fund's. Nothing in this section or agreement is intended to, and shall not be construed to, transfer any property rights or any intellectual property rights to Grantee to materials developed by the CFE Fund. The Grantee may use the CFE Fund's intellectual property (i) for internal planning processes; (ii) in furtherance of the Scope of Work; and (iii) if otherwise expressly authorized by the CFE Fund. Any unauthorized disclosure of the CFE Fund's intellectual property without expressed authorization shall be considered a breach of this MOU. The Grantee agrees that the CFE Fund may reproduce, publish, or otherwise use the work product generated during the Term without any restriction whatsoever, including any requirement for approval from the Grantee.

11. Non-Assignability.

The Grantee shall not assign, transfer, subcontract, convey or otherwise dispose of this MOU or of its rights, obligations, responsibilities or duties hereunder or under any Vendor Contract, either in whole or in part, without the prior written consent of the CFE Fund.

12. Compliance with Laws.

Grantee shall comply with, and shall ensure that any Vendors or sub-Vendors engaged by the Grantee in connection with the Program comply with, all local, state and federal laws (including common laws), ordinances, codes, rules and regulations regarding the Program and Grantee's obligations and performance under this MOU. Grantee shall obtain and maintain, and shall ensure that any Vendors or sub-Vendors engaged by the Grantee in connection with the Program obtain and maintain, any and all permits, licenses, bonds, certificates and other similar approvals required in connection with this MOU.

13. Compliance with Anti-Discrimination Rules.

In its use of Grant funds provided by the CFE Fund, and in the course of all development, marketing and operation activities, the Grantee shall fully comply with all applicable federal, state, local (and any other governmental), anti-discrimination laws, executive orders, rules and regulations.

14. Entire MOU.

This MOU contains the entire understanding between the parties hereto with respect to the subject matter of this MOU and replaces and supersedes all prior agreements and understandings of the parties. This MOU may be amended or modified only by a writing executed by the parties hereto.

15. Binding MOU.

Notwithstanding any other provision of this MOU, the parties agree that this MOU constitutes a legal, valid and binding agreement of each party, and is enforceable against each party in accordance with its terms.

16. Amendment.

The CFE Fund shall consider, but is not obligated to agree to, requests by the Grantee to amend the terms of this MOU. Amendments to this MOU shall be made only after (i) the CFE Fund has received written request from the Grantee stating the nature of the amendment request, and (ii) the CFE Fund has executed a written agreement describing the terms of the amendment.

17. Counterparts.

The MOU may be executed in any number of counterparts, including by facsimile or other electronic means of communication, each of which shall be deemed an original of this MOU and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed by their respective officers as of the day and year first above written.

**CITIES FOR FINANCIAL EMPOWERMENT
FUND, INC.**

By: _____
Name: Jonathan Mintz
Title: President and Chief Executive Officer

CITY OF SALINAS, CA

By: _____
Name: Rene Mendez
Title: City Manager

FEC Academy Phase 1 Milestone and Grantee Proposal

(To Be Attached)

Scope of Work

Where there may be discrepancies, this Scope of Work supersedes the Phase 1 Milestone.

As part of the Financial Empowerment Center Planning Grant, the Grantee will:

- Designate at least one staff member from the local government to serve as project lead and plan the FEC based on Exhibit C (the “Model”).
- Meet bi-weekly with the designated CFE Fund technical assistance lead.
- Attend relevant virtual trainings and learning community webinars facilitated by the CFE Fund.
- Identify a FEC Advisory Group of 15-25 stakeholders (including but not limited to local government agencies, nonprofits, financial institutions, funders, etc.) who will participate in the FEC planning process and inform implementation strategies.
- Coordinate an in-person site visit for CFE Fund. This includes:
 - Developing a site visit agenda and coordinating logistics such as reserving a space for meeting.
 - Convening the FEC Advisory Group for a FEC overview and planning session facilitated with CFE Fund.
 - Facilitating and leading individual meetings with key internal stakeholders such as the Mayor, Chief of Staff, Finance Director, and other senior government staff members; community leaders; funders; and service or community partners.
 - Convening other meetings and engagements as needed.
- Determine which office, agency, or department will oversee the FEC within the local government.
- Identify or have plans to hire a staff person (Local Government Manager) who will manage the FEC within local government.
- Engage in a selection process using criteria provided by the CFE Fund to identify a qualified nonprofit or government agency that will serve as the Financial Counseling Provider and secure a commitment from the agency to serve as the provider to deliver the financial counseling services.
- Identify and secure commitments from at least 8 community organizations to serve as program partners for counseling referrals, co-location opportunities, and programmatic integration.
- Determine the size and scope of the FEC, including the staffing plan, budget and potential FEC locations.
- Develop an outreach and marketing plan to raise awareness of FEC services.
- Design a training plan for the FEC program manager and counselors that meets the FEC Counselor Training Standards.
- Secure the funding to support FEC operations in year 1, with probable prospects of funding the FEC for year 2.
- Draft an implementation plan to launch the Financial Empowerment Center initiative, based on the “Model” and submit the FEC Implementation proposal by the end of the Term.

Financial Empowerment Center Model
(the “Model”)

Please note that this provides a broad overview of the Financial Empowerment Center model (the “FEC Model” or the “Model”). During the course of engagement, the CFE Fund team will be providing further details on all components of the model. The Model has been developed by the CFE Fund in order to ensure consistency and high-quality standards. The Model should be actively followed by the Grantee. The Model may be amended, modified, supplemented, or otherwise revised by the CFE Fund. Any changes to the Model will be communicated by the CFE Fund during the course of technical assistance to the Grantee.

Model:

- Professional, one-on-one and free public service.
- Systematically track data and outcomes for client management and evaluation.
- Connects to a range of local government and nonprofit service delivery systems.
- Prioritizes sustainability efforts to become a permanent service in the locality.

Operations:

- Program implementation and management is led and overseen by the local government.
- Service provision is conducted by one or more qualified nonprofit partners or local government agencies, formalized via MOU.
- Counselors conduct financial triage with clients to determine the nature of their financial situation, set goals, and establish a specific plan of action with each client focused in five primary areas: banking, savings, debt, credit, and legacy planning.
- Client retention, critical to outcome achievement, is prioritized as counselors work with clients to make progress on their action plan.
- All program managers and counselors must be trained based on the CFE Fund’s training standards and pass a CFE Fund–administered final exam.

The Financial Counseling Session

As defined for the Model, one-on-one financial counseling and coaching represents a mix of direct service goal setting and light case management provided by highly trained professionals to advise people on their financial and personal goals in the areas of banking, savings, debt, credit, and legacy planning. One-on-one counseling, either in person or remotely, is conducted or tracked with the goal of clients achieving meaningful, defined financial outcomes. A financial counseling session is a confidential, private meeting between an FEC counselor and individual (or household) lasting a minimum of 30 minutes. Sessions can be either in person or remote (i.e. phone, video) given they meet the 30-minute requirement.

The initial counseling session consists of a comprehensive financial health assessment, where counselors conduct triage to determine the full nature of the client’s financial situation, support the client in setting goals, and establish a specific client-led action plan to manage their finances, pay down debt, increase savings, establish and build credit, access safe and affordable mainstream banking products, prepare for legacy planning, and protect assets. Retention, or returning for more than one session, is critical; clients are more likely to achieve outcomes if they participate in multiple counseling sessions. Throughout the process, counselors advise clients, and track progress towards outcomes aimed at enhancing financial stability.

Partnership Structure

The Model is a partnership between local government and community-based organizations, with critical and distinct roles for each partner.

Local Government (city or county) plays a central role of directing and coordinating the initiative on the ground. The local government partner ensures quality and consistency of service delivery by establishing protocols for monitoring and evaluation, using public channels for marketing and promotion of services, and supporting integration of service delivery within other public programs and local government access points.

Financial Counseling Providers recruit, hire and supervise the FEC counselors. They are responsible for all data collection and regular reporting to the local government and the CFE Fund. They support public marketing efforts by participating in outreach events and presentations. In addition, nonprofit providers establish and maintain relationships with other community partners hosting counselors, referral partners, and other outreach and community efforts. This provider role can also be fulfilled by a local government agency.

Local and National Counselor Training Partners deliver financial counseling training instruction based on the training standards provided by the CFE Fund, focusing on financial content, counseling and coaching skills, and cultural awareness. Partners can deliver this training in a variety of formats, including at a local college, through self-paced webinars, and/or with program managers or national training providers teaching the curriculum. Prior to working with their own clients, counselors must pass an exam that evaluates their command of training material and succeed at a period of mentored, experiential training (such as role-playing, shadowing, and observation). In addition, local government and counseling provider managers coordinate continuing education opportunities as the program evolves to further counselors' professional development and understanding of new financial issues that those with low incomes face.

Programmatic Partners are crucial to integrating the FEC services into the service streams of local government and nonprofit agencies, especially those serving people with low and moderate incomes. Partnerships deeply embed financial counseling/coaching into local government and nonprofit programs, advancing both programs' goals. Partnerships can have a variety of characteristics in a scale of increasing integration, which are: formalized via MOU, defined referral process, co-location, FEC participation fully integrated, coordinated case management, regular reporting, data sharing agreement, and Supervitamin Effects Study. Potential complementary program integrations could include: homeownership assistance, homeless prevention, foreclosure prevention, workforce development, asset building, financial access, domestic violence prevention, or other social services.

Philanthropic Partners are influential in the launch of the FEC and subsequent enhancement opportunities. At the start of the implementation phase, localities secure funding from local and/or national funders to partially match the CFE Fund's investment to launch the FEC. Funder engagement in the FEC stems from a range of interests, including geographic footprints, programmatic priorities, innovation opportunities, and issue-based giving. Once the FEC has launched, funders offer opportunities to enhance the Model with targeted pilots, while also providing support to complement the public funding.

Data Collection and Reporting

Data collection and reporting are essential to the success of the Model, used to improve service delivery, track required outcomes, and further budgetary and political sustainability efforts. The Grantee is required to use FECBOT and participate in all national data collection, tracking, and evaluation activities throughout the Grant Term. The Grantee will have access throughout the Grant Term to all local data collected and is able to create customized reports.

Learning Community

The CFE Fund operates a national learning community of local government partners engaged in FEC development and implementation. Learning community calls or events are valuable opportunities to learn and share best practices.

Grant Budget

The CFE Fund will provide a \$20,000 FEC Planning Grant to support the City of Salinas, CA, in line with the below budget. Grant funds may be used for these approved uses:

1. Staff time.
2. Food and/or logistical costs for the CFE Fund site visit or other stakeholder meetings.
3. Administrative needs.
4. Hiring a planning consultant to assist with specific elements of the planning phase.
5. Other activities relevant to achieving the Scope of Work.

The Grantee will be required to submit a financial report detailing how the FEC Planning Grant funds were spent.

FEC Planning Grant Budget

City/County Name:

Salinas, CA

Category	Projected Expenses	Notes
Personnel and Fringe	\$4,000	Offset personal cost for our internal and partner personnel
Indirect/Admin	\$2,000	Indirect administrative cost
Consultant(s)	\$9,000	Paid Consultant support
Meetings/Events	\$5,000	Cost to convene meetings and a trip to see a model FEC in a similar city as Salinas
Supplies		
TOTAL	\$20,000	

Reporting

The Grantee is responsible for reports using the CFE Fund's online grant portal which can be accessed here: <https://www.grantinterface.com/Home/Logon?urlkey=CitiesFE>

- **FEC Implementation Proposal:** The FEC Implementation Proposal, which is due by the end of the Grant Term, will serve as the final report.
 - **Progress Report:** If the FEC Implementation Proposal is not submitted by the end of the Grant Term, the Grantee will need to submit a progress report to outline all FEC planning activities.
- **Financial Report:** The Grantee will submit a financial overview of how the FEC Planning Grant funds were spent.