

**SAMPLE #1**

**From: Sierra Nevada Alliance (CA)**

---

**Contract For  
Fiscal Sponsorship Services**



SIERRA NEVADA ALLIANCE

*Keeping light in the range.*

This is an agreement for fiscal sponsorship services, entered into between the Sierra Nevada Alliance (Alliance) and the \_\_\_\_\_ (“Project”).

Recitals

The Sierra Nevada Alliance (Alliance) is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as most recently amended. The Sierra Nevada Alliance's mission is to protect and restore the natural environment of the Sierra Nevada for future generations while ensuring healthy and sustainable communities.

The \_\_\_\_\_ (“Project”) is an [unincorporated association; or a coalition of organizations; or an independent nonprofit organization] with the mission of \_\_\_\_\_.

Alliance is willing to receive tax-deductible charitable contributions for the benefit and use of the Project. The Project, with the administrative assistance of the Alliance, desires to use these funds in order to implement the Project’s purposes.

Agreement

By entering into this Agreement, the parties agree to the following terms and conditions:

1. Receipt of funds: The Alliance agrees to receive grants, contributions and gifts to be used for the Project, and to make those funds available to the Project, minus assessed administrative fees, as specified in this agreement.
2. Administrative Fees: To defray the expenses associated with administering the Project, the Project agrees to pay the Alliance an administrative fee of **5% for small groups 7% for larger – specific amount to be entered on individual agreement** on all income received including, but not limited to, grant income and contributions.
3. Acknowledgments: Alliance and Project agree that all grants, charitable contributions, and gifts that Alliance receives for the Project will be reported as contributions to the Alliance, as required by law. Alliance further agrees to acknowledge the receipt of any such grant, charitable contribution, or gift in writing, and to furnish evidence of its status as a tax-exempt organization under Section 501(c)(3) as requested, or as required by law. In its acknowledgement of gifts made on behalf of the Project, the Alliance will inform the donor that the contribution made will benefit the Project.

4. Protection of tax-exempt status: The Project agrees not to use funds received from the Alliance in any way that would jeopardize the tax-exempt status of the Alliance. The Project agrees to comply with any written request by the Alliance that it cease activities which might jeopardize the Alliance's tax status, and further agrees that the Alliance's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the Alliance before implementation. The Alliance retains the right, if the Project breaches this Agreement, or if the Project jeopardizes the Alliance's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
5. Notice to Project By Alliance: The Alliance agrees to notify the Project of any change in its tax-exempt status.
6. Use of funds: The Alliance will allow the Project to make expenditures from funds collected by the Alliance to achieve the purposes of the Project. In no case will any such expenditure exceed total contributions for the Project received by the Alliance, and Alliance will not advance funds to the Project beyond those received by the Alliance. The Project agrees to use any and all funds received from the Alliance solely for legitimate expenses of the Project and fully to account to the Alliance for the disbursement of these funds. Prior to any such expenditure, the Alliance will obtain authorization from the Project to pay these expenses using the Project's funds.
7. Financial accounting and reporting: The Project will in all cases follow the Alliance's financial policies and accounting procedures as established by the Alliance. Specifically, the Project will adopt the Alliance's fiscal year, which extends from July 1<sup>st</sup> through June 30<sup>th</sup>. The Alliance will maintain books and financial records for the Project in accordance with generally accepted accounting principles, and the Project's revenue and expenses shall be separately classed in the books of the Alliance. The Alliance will provide reports reflecting revenue and expenses to the Project on a monthly basis, within 30 days after the end of each month.
8. Budgeting: The Project will provide the Alliance with its annual budget at the beginning of each fiscal year.
9. Governance: Authority to manage the programmatic activities of the Project is delegated to the Project. Normally, the Project's Board will exercise that authority. Notwithstanding the forgoing, both Alliance and Project agree that the relationship established by this agreement is premised upon the mutual understanding of Alliance and Project that the goals and activities of both organizations will be compatible. In order to maintain such compatibility of goals and activities over time, Project agrees to inform Alliance of any new or changed activities contemplated by Project, and if Alliance determines that the programmatic activities of the Project are in fact inconsistent with the goals and activities of Alliance, Alliance shall draw this immediately to the attention of Project, and shall retain the right to terminate this agreement, pursuant to the provisions of Paragraph 14.
10. Fundraising: The Project may solicit gifts, contributions, and grants on behalf of the Alliance, and such gifts, contributions, and grants, if and when received, will be earmarked for the activities of the Project. The Project's choice of funding sources to be approached and the text of the Project's letters of inquiry, grant applications, and other fundraising materials are

subject to approval by the Alliance. The Alliance's Executive Director must co-sign all original letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be executed by the Alliance. The cost of any reports or other compliance measures required by such funding sources shall be borne by the Project. The Alliance's Executive Director must be copied at least one week in advance on all progress and final report submissions. The Alliance shall be responsible for the processing and acknowledgment of all monies received for the project, which shall be reported as the income of the Alliance for both tax purposes and for purposes of the Alliance's financial statements. Grants involving government or public agency monies have substantial reporting and auditing requirements; therefore, if the Project desires to apply for government or public agency grants, the Project must get advance approval to do so from the Alliance's Executive Director.

11. Renewal of this agreement: If both the Alliance and Project desire to do so, this agreement may be renewed annually, and the annual term of any such renewal shall be coincident with Alliance's fiscal year.
12. Termination: Either party may terminate this Agreement by giving 90 days' written notice to the other party.
13. Disposition of Assets and Liabilities: If either party terminates this agreement, any funds collected on behalf of the Project, and remaining in the possession of the Alliance at the time of termination, shall be disposed of according to existing written agreements with funding sources. If the Project continues beyond the term of this agreement, funds and assets not covered by existing written agreements with funding sources may be transferred to another nonprofit corporation (the Successor) that is tax-exempt under IRC Section 501(c)(3) and that is not classified as a private foundation under Section 509(a). The Successor must be willing and able to sponsor the Project. The Successor must be approved in writing by the Alliance and the Project by the end of the 90-day period for written notice of termination. If a Successor is found, the balance of assets not covered by existing agreements with funding sources held by the Alliance for the Project, together with any other assets held or liabilities incurred by the Alliance in connection with the Project, shall be transferred to the Successor at the end of the 90-day period of written notice of termination or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If the Project has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code no later than the end of the 90-day period of written notice of termination or any extension thereof. If no Successor is found by the end of the 90-day period of written notice of termination, the Alliance may allocate the Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

The time period covered by this agreement is from July 1, 2009 to June 30, 2010, and the agreement will terminate on the date last specified, unless it is either renewed as specified in Paragraph 13, or is terminated with 90 days written notice by either the Alliance or the Project, as provided in Paragraph 14.

By signing below, both parties hereby execute this Agreement according to its terms, and the individuals signing on behalf of the Alliance and the Project, by signing this Agreement, certify that they are legally empowered and authorized to do so on behalf of the Alliance and the Project, respectively.

Alliance:

Project:

\_\_\_\_\_  
Joan Clayburgh  
Executive Director

\_\_\_\_\_  
Name  
Title/Organization

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

**SAMPLE #2**

**From: Farmington River Watershed Association (CT)**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE FARMINGTON RIVER WATERSHED ASSOCIATION AND XYZ WATERSHED INITIATIVE REGARDING FRWA SERVING AS A FISCAL AGENT FOR ACTIVITIES ASSOCIATED WITH THE XYZ RIVER WATERSHED**

---

*updated on May 2<sup>nd</sup> 2008 to honor current working agreements*

**The Farmington River Watershed Association (hereafter 'FRWA') will serve as a 501(c)3 nonprofit fiscal agent for Ms. \_\_\_\_\_ (hereafter 'Ms. \_\_\_\_\_') in the following ways:**

FRWA will not represent that it is an "employer" of Ms. \_\_\_\_\_.

FRWA is a 501(c)3 nonprofit organization serving as a fiscal agent to support Blank River watershed activities;

FRWA will receive funding raised through grants, individual or corporate donations, or fee for service activities that will be allocated to specific efforts to protect, restore, and conduct education and outreach activities regarding the Blank River Watershed;

FRWA will accurately acknowledge work performed by Ms. \_\_\_\_\_ in project related public announcements;

FRWA will recognize Ms. \_\_\_\_\_ as the Project Director of the Blank River Watershed Revitalization Initiative by involving her in related budget and administrative decisions for project work that she has generated, including grant funding, project fees and/or other gifts;

FRWA will pay invoices submitted by Ms. \_\_\_\_\_ and approved by FRWA in a timely fashion (typically within two (2) weeks of receipt) for activities in the Blank River Watershed with funding raised specific to Blank River Watershed initiatives;

FRWA will pay Ms. \_\_\_\_\_ the flat fee or hourly rate as listed in the project work and grant proposals, (pending project work and grants submitted at this time include: *itemized list of ongoing grant projects*);

FRWA will realize a reasonable, nominal fee to cover administrative and/or program expenses associated with managing funds, contracting/subcontracting, invoicing, grant writing, or distributing funds on behalf of Blank River Watershed activities. Any fees will be negotiated with Ms. \_\_\_\_\_ in advance of being assessed.

**Ms. \_\_\_\_\_ will serve as a contractor for FRWA in the following ways:**

Ms. \_\_\_\_\_ will not represent that she is an "employee" of FRWA. Ms. \_\_\_\_\_ is working with FRWA as an independent contractor to fulfill obligations incurred by grants or contracts focused on Blank River Watershed activities;

Ms. \_\_\_\_\_ can raise funding for specific Blank River Watershed Activities pre-approved by the Executive Director of the FRWA on behalf of its Board of Directors;

Ms. \_\_\_\_\_ can submit invoices to FRWA and expect payment in a timely fashion (typically within two (2) weeks of receipt) for pre-approved activities to protect, restore, and conduct education and outreach activities regarding the Blank River Watershed;

Ms. \_\_\_\_\_ will negotiate with FRWA to determine administrative and/or program expenses incurred through managing funds, contracting/subcontracting, invoicing, grant writing, or distributing funds on behalf of Blank River Watershed activities. Fees will be assessed only after negotiation with Ms. \_\_\_\_\_.

Agreed to by \_\_\_\_\_  
Ms. \_\_\_\_\_ Date \_\_\_\_\_

Agreed to by \_\_\_\_\_  
Farmington River Watershed Association Date \_\_\_\_\_

SAMPLE

**SAMPLE #3**

**From: Cannon River Watershed Partnership (MN)**

LETTER OF UNDERSTANDING  
BETWEEN  
THE CANNON RIVER WATERSHED PARTNERSHIP  
&  
XYZ

This Agreement made this 17th day of September, 2010 between the Cannon River Watershed Partnership and the XYZ.

**Purpose of Agreement:**

The XYZ (XYZ) has proposed that the Cannon River Watershed Partnership (CRWP) serve as fiscal agent in facilitating the receipt and disbursement of funds associated with water quality improvement in the Waterville Lakes area.

The CRWP Board of Directors, on September 13, 2010, determined that sponsorship of the XYZ projects is consistent with its goals, and wishes to make arrangements for the implementation and operation of water quality improvement projects by the XYZ.

1. CRWP hereby agrees to serve as fiscal agent and to provide financial management help for purposes of the requirements of funding organizations. XYZ shall notify funders of CRWP fiscal sponsorship, requesting funding payments be made directly to CRWP.

2. XYZ activities shall be consistent with the CRWP tax-exempt status and as described in this agreement. No material changes in the purposes or activities of the water improvement work shall be made without prior written permission of CRWP and in accordance with any requirements imposed by funding organizations, nor shall the XYZ carry on activities or use funds in any way that jeopardizes the CRWP's tax-exempt status.

3. XYZ shall indicate proper credit to the CRWP in publicity and communications. Example: *The XYZ Water Quality Improvement Project is sponsored by fiscal agent Cannon River Watershed Partnership with funding provided by (funder's names).*

4. XYZ will provide CRWP with reports describing programs and services of the water quality improvement work in accordance with the following schedule:

- A project summary and timeline will be provided to CRWP before funds are deposited and dispersed for each separate project.
- By January 15 of each calendar year a report describing XYZ activities for the previous year will be provided to CRWP for the purposes of the yearly CRWP financial audit.

5. XYZ will provide all information and prepare all reports, including interim and final reports, required by funding organizations, with CRWP's assistance and final approval. Reports will be submitted to CRWP for approval at least one week prior to the reporting deadline.

6. CRWP will disburse funds from the XYZ account in the following manner:

Upon receipt of a request for payment that indicates satisfactory completion of work ordered by XYZ or expenses approved by the XYZ Board, CRWP shall disburse funds as requested. Requests for payment shall be accompanied by a XYZ Board resolution authorizing payment.

7. The XYZ Board of Directors designates \_\_ (name) \_\_ to act as authorizing official. The authorizing official shall act as principal coordinator of XYZ's daily business with CRWP, and shall have authority to sign disbursement requests. XYZ will be responsible for notifying CRWP if there is a change in the authorizing official.

8. Cannon River Watershed Partnership and XYZ will maintain all financial records relating to the water quality improvement work according to generally accepted accounting practices, retain records as long as required by law, and make records available to auditors as required by law.

9. This agreement will be subject to review at the September board meeting of CRWP each year. This agreement shall expire four weeks after either the XYZ or the Cannon River Watershed Partnership has given written notice of its intent to terminate the agreement.

10. In the event this Agreement is terminated, CRWP and XYZ will comply with any termination conditions imposed by funding organizations. Remaining funds will be transferred to another organization, as designated by XYZ Board resolution, for the purpose of water quality improvement work in the Upper Cannon River Watershed.

11. CRWP will charge the XYZ an annual fee of 3% of funds handled for the fiscal agent services. If additional project work by CRWP staff is requested by XYZ, a separate contract and fee from XYZ will be required.

Accepted for the Cannon River Watershed Partnership:

\_\_\_\_\_  
XXX, Executive Director

\_\_\_\_\_  
Date

For the XYZ:

\_\_\_\_\_  
XXX, XYZ Board President

\_\_\_\_\_  
Date



**SAMPLE #4**

**From: River Network Files**

**FISCAL SPONSORSHIP GRANT AGREEMENT**

On \_\_\_\_\_, 20XX, \_\_\_\_\_ ("Grantor") decided that financial support

of the following purposes \_\_\_\_ [insert purpose] \_\_\_\_ ("the project"), more particularly described in a proposal dated \_\_ [insert date] \_\_, 20XX ("the proposal"), from

\_\_\_\_\_ ("Grantee") will further Grantors tax-exempt purposes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). With regard to the selection of Grantee or any other beneficiary to conduct the project, Grantor has exercised and shall retain full discretion and control over the selection process, acting completely independently of Grantee or any funding source. Grantor has created a restricted fund designated for the project and has decided to grant all amounts that it may receive and deposit to that fund (less any administrative charge set forth below), to Grantee, subject to the following terms and conditions:

1 Grantee's separate legal existence, for all purposes including tax reporting, is established by the following: *[choose one]*

*Grantee is a \_\_\_\_\_ nonprofit corporation which is, and shall be throughout the duration of this Agreement, organized and operated for tax-exempt purposes described in IRC Section 501(c)(3). Grantee has applied to the Internal Revenue Service for recognition of its tax-exempt status and shall keep Grantor informed on the progress of its application. OR*

*Grantee has provided Grantor with a completed and filed IRS Form SS-4, along with any other registration or governing documents, showing Grantee's separate existence as an unincorporated association. OR*

*Grantee is an individual person, acting as a sole proprietor. OR Grantee is a partnership comprised of*

2. Grantee shall use the grant solely for the project described in the proposal, and Grantee shall repay to Grantor any portion of the amount granted which is not used for that project. Any changes in the purposes for which grant funds are spent must be approved in writing by Grantor before implementation. Grantor retains the right, if Grantee materially breaches this Agreement, to withhold, withdraw, or demand immediate return of Grant funds, and to spend such funds so as to accomplish the purposes of the project as nearly as possible within Grantor's sole judgment. Consistent with Interpretation No. 42 of Statement No. 116 issued by the Financial Accounting Standards Board, Grantor retains the unilateral power, without approval from any funding source, from Grantee, or from any other interested party, to redirect use of grant funds away from Grantee to another beneficiary capable of fulfilling the purpose of the project. Any tangible or intangible property, including copyrights, obtained from third parties or created by Grantee as part of this project shall remain the property of Grantee. The amount and date of each disbursement of grant funds to Grantee shall be within the discretion of Grantor.

3. Grantee may solicit gifts, contributions, and grants to Grantor, earmarked for the purposes of the project. Grantee's choice of funding sources to be approached, and the text of Grantee's fundraising materials, are subject to Grantor's prior written approval. All grant agreements, pledges, or other commitments with funding sources to support this project shall be executed by Grantor. The cost of any reports or other compliance measures required by such funding sources shall be borne by Grantee. Grantor shall be responsible for the processing, acknowledgment, and deposit in the restricted fund of all monies received for the project, which shall be reported as the income of Grantor for both tax purposes and for purposes of Grantor's financial statements.

4. Grantee assumes the risk that any funding source may exercise the discretion to not grant or not appropriate funds to Grantor for support of the project. Any amount advanced by Grantor to Grantee, with the expectation that a pending grant request will be approved by a funding source, shall be treated as an obligation to be repaid by Grantee to Grantor, either from monies deposited in the restricted fund or from Grantee's assets, upon demand by Grantor. Regarding any funds awarded to Grantor by the City and County of San Francisco ("City") for support of the project, the parties agree as follows: Grantor's rights under this Agreement may be assigned to City without the prior consent of Grantee. This Agreement shall incorporate all the applicable terms of any Grant Agreement executed between Grantor and City, including but not limited to the City's audit and inspection rights. Grantee shall be listed as a "permitted subcontractor" under any such City Grant Agreement.

5. An administrative charge of \_\_\_\_\_ percent ( \_\_\_\_\_ %) of all amounts deposited to the restricted fund shall be transferred to Grantor's general fund to defray Grantor's costs of administering the restricted fund and this grant. In addition, any interest earned on the restricted fund shall be retained in Grantor's general fund.

6. Grantor shall not be responsible for the community programs, public information work, fundraising events, accounts payable and receivable, negotiation of leases and contracts, insurance, day-to-day disbursement of project funds, or other matters related to activities conducted by Grantee. No one working on the project shall be an employee of or independent contractor with Grantor. Grantee shall assume full and complete responsibility for all liabilities to third parties incurred in connection with the project including but not limited to any and all claims whether asserted or unasserted while this Agreement is in effect. With regard to the selection of any subgrantees to carry out the purposes of this grant, the Grantee retains full discretion and control over the selection process, acting completely independently of Grantor. There is no agreement, written or oral by which Grantor may cause the Grantee to choose any particular subgrantee.

7. Nothing in this Agreement shall constitute the naming of Grantee as an agent or legal representative of Grantor for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and Grantee shall make no such representation to anyone.

8. Grantee shall submit a full and complete report to Grantor as of the end of Grantee's annual accounting period within which any portion of this grant is received or spent. The initial report shall be submitted by Grantee no later than sixty (60) days after the end of such period. The report shall describe the charitable programs conducted by the Grantee with the aid of this grant and the expenditures made with grant funds and shall report on the Grantee's compliance with the terms of this grant.

9 This grant is not earmarked to be used in any attempt to influence legislation within the meaning of Internal Revenue Code Section 501(c)(3). No agreement, oral or written, to that effect has been made between Grantor and Grantee.

10. Grantee shall not use any portion of the funds granted herein to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with Section 501(c)(3) of the Internal Revenue Code.

11. Grantee shall notify Grantor immediately of any change in (a) Grantee's legal or tax status, or (b) Grantee's executive staff or key staff responsible for achieving the grant purposes.

12. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Grantor, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Grantee, its employees or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Grantor, its officers, directors, trustees, employees or agents.

13 Either Grantor or Grantee may terminate this Agreement on thirty (30) days' written notice to the other party, so long as another nonprofit corporation which is tax exempt under IRC Section 501(c)(3), and is not classified as private foundation under Section 509(a) ("a Successor"), is willing and able to sponsor the project. The balance of assets in Grantor's restricted fund earmarked for the project shall be transferred to the Successor at the end of the notice period or sooner if all parties so agree. Grantee shall be eligible to be a Successor itself so long as Grantee has received, no later than the end of the notice period, a determination letter from the Internal Revenue Service indicating that Grantee meets the qualifications for a Successor stated above.

14. In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs of sustaining its position.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be enforced entirely within such State.

16. This Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof: This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Grant Agreement effective on the \_\_\_\_\_ day of \_\_\_\_\_, 20XX

GRANTOR: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SAMPLE

**SAMPLE #5**

**From: River Network Files**

**RIVER NETWORK**  
**Connecting People, Saving Rivers**

**FISCAL SPONSORSHIP GRANT AGREEMENT**

This is an agreement made on **DATE**, by and between **XXXXXX** [the Sponsor] and **XXXXXX** [the Grantee] – for **HIS/HER/THEIR** work with the **PROJECT NAME/SUMMARY** [the Project].

**The Sponsor:** The Sponsor is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”). It is formed for purposes, which include helping people understand, protect and restore rivers and their watersheds.

**The Grantee:** The Grantee will fulfill the goals related to the **PROJECT NAME**, which include **PROJECT SUMMARY**.

**The Agreement:** The Sponsor is willing to receive tax-deductible charitable contributions for the benefit and use of implementing the Grantee. The Grantee, with the administrative assistance of the Sponsor, desires to use these funds in order to implement the Grantee’s purposes.

By entering into this Agreement, the parties agree to the following terms and conditions:

1. Grantee shall provide Sponsor with its governing or banking documents, to the extent they exist, and a completed IRS Form SS-4 or other documentation satisfactory to Sponsor.
2. The Sponsor agrees to receive grants, contributions and gifts to be used for the Project, and to make those funds available to the Project. The Project must act within the financial policies outlined in the Sponsor’s Financial Procedures Manual.
3. The Sponsor will distribute funds to the Grantee via a reimbursement process. The Grantee agrees to provide the Sponsor with appropriate receipts and timesheets on a monthly basis. Funds may be awarded in advance of expenditure if request is submitted in writing and approved by the Sponsor.
4. Grantee shall use the grant solely for the purposes related to the establishment and advancement of the Grantee’s purpose, and Grantee shall repay to Sponsor any portion of the amount granted which is not used for those purposes. Any changes in the purposes for which grant funds are spent must be approved in writing by the Sponsor before implementation retains the right, if Grantee breaches this Agreement, or if Grantee’s conduct of the project jeopardizes Sponsor’s legal or tax status, to withhold, withdraw, or demand immediate return of grant funds, and to spend such funds so as to accomplish the purposes of the project as nearly as possible within Sponsor’s sole judgment. Any tangible or intangible property, including copyrights, obtained or created by Grantee as part of this project, shall remain the property of the Grantee.
5. Grantee may solicit gifts, contributions, and grants to Sponsor, earmarked for Sponsor’s

restricted fund to this project. Grantee's choices of fund-raising sources to be approached, and the text of Grantee's fund-raising materials, are subject to Sponsor's prior written approval. All grant agreements, pledges, or other commitments with funding sources to support this project via Sponsor's restricted fund shall be executed by Sponsor. The cost of any reports or other compliance measures required by such funding sources shall be borne by Grantee.

6. For the first twelve (12) months, an administrative charge of eight percent (8%) of all amounts deposited to, or paid to Grantee from, the restricted fund shall be deducted by Sponsor to defray Sponsor's costs of administering the restricted fund and this grant. After the first 12 months, an administrative charge of 15% will be deducted by the Sponsor.
7. Nothing in this Agreement shall constitute the naming of Grantee as an agent or legal representative of Sponsor for any purpose whatsoever except as specifically and to the extent set forth herein. This agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and Grantee shall make no such representation to anyone. No personnel to be compensated for working on the Project shall be considered employees of the Sponsor or subject to any of the rights or the benefits that apply to employees of the Sponsor.
8. The Sponsor will maintain books and financial records for the Grantee in accordance with generally accepted accounting principles. The Grantee's revenue and expenses shall be separately classed in the books of the Sponsor. The Sponsor will regularly provide reports reflecting revenue and expenses to the Project.
9. Grantees shall submit a full and complete report to Sponsor as of the end of the Grantee's annual accounting period within which any portion of this grant is received or spent. Grantee shall submit the initial report no later than **DATE**, and Grantee shall submit subsequent reports, if any, on the anniversary date of the initial report. Such report shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made, shall detail all expenditures made from the granted funds (including salaries, travel and supplies), and shall report on the Grantee's compliance with the terms of this grant. This grant is not earmarked to be used in any attempt to influence legislation within the meaning of the Internal Revenue Code (IRC) section 501(c)(3). Nor agreement of any kind, oral or written, to that effect has been made between Sponsor and Grantee.
10. Grantee shall not use any portion of the funds granted herein to influence the outcome of any specific election for candidates to public office, nor to carry on, directly or indirectly, any voter registration drive, within the meaning of Internal Revenue Code section 4945(d)(2), as interpreted by regulations thereunder, or to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with Section 501(c)(3) of the Internal Revenue Code.
11. Grantee shall notify Sponsor immediately of any change in (a) Grantee's legal or tax status, or (b) Grantee's executive staff or key staff responsible for achieving the grant purposes.
12. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Sponsor, its officers, directors, trustees, employees, and agents, from and against any and all claims, liabilities, losses and expenses (including

reasonable attorney's fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Sponsor, its officers, directors, trustees, employees or agents.

- 13. In the event that Grantee violates or fails to carry out any provision of this Agreement, Sponsor may, in addition to any other legal remedies it has, refuse to make any further grant payments to Grantee, and Sponsor may demand the return of all or part of the unexpended grant funds, which the Grantee shall immediately repay to Sponsor.
- 14. This Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties have executed this Grant Agreement, effective on **DATE**.

**Sponsor**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

XXXXXX, TITLE/ORG

**Grantee**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

XXXXXXXX, TITLE/ORG

**SAMPLE #6**

**FROM: Amigos Bravos (NM)**

DRAFT

Fiscal Sponsorship Agreement

For

Name of Initiative

1. Establishment of the Sponsorship: On #### (date), the Board of Directors of Amigos Bravos: Friends of the Wild Rivers New Mexico non-profit corporation, P.O. Box 238, Taos, New Mexico 87571 (“Amigos”) resolved that sponsorship support of the Name of initiative (NOI), an unincorporated working group described in Appendix I, will enhance the organizational mission and tax-exempt purposes of Amigos Bravos. Therefore, a fiscal sponsorship is established by this document. Amigos will maintain the sponsorship account for NOI until such time that it receives its own 501 (c) 3 status or until the funds are exhausted.
2. Property of the Sponsorship: The sponsorship account shall include property transferred or contributed, from any source, to Amigos and designated for NOI. The sponsorship account shall be held and administered by Amigos in its corporate capacity in accordance with its Articles of Incorporation and Bylaws as periodically amended, and shall not be deemed a trust fund held in a trustee capacity. Amigos shall apply the highest fiduciary standard in the administration of the fund to ensure that its purposes are achieved.
3. Distributions: As a sponsor, the entire amount of monies received on behalf of the Coalition will be available for distribution to the NOI. The NOI shall use all distributions solely for the purposes esignated in the project description identified in Appendix I. Any substantial changes in the purpose for which monies are spent must be approved in writing by Amigos before implementation. Amigos retains the right, if the project breaches the terms of this document, or if the conduct of the NOI jeopardizes Amigos legal or tax status, to withhold, withdraw, or demand immediate return of monies. The purpose is to spend such monies only to accomplish the purpose of the NOI as nearly as possible. Distribution will be made no more often than monthly.
4. Reporting: Quarterly, the NOI will submit a signed Budget to Actual report confirming that the money disbursed was spent appropriately. 5. Administrative Fees: Amigos may make a reasonable assessment for administrative expenses (accounting, audit, and distribution fees etc.) . As of this date, and administrative fee of #% is applicable. Amigos retains the right to modify this fee depending on future changes, requirements or complexities of the sponsorship, or requirements imposed by state regulations, IRS regulations, federal statute, or opinions of the Attorney General’s office.
6. Commingling of Property: The property of the NOI may be commingled with other property of Amigos but will be accounted for separately.
7. Financial Statements and Accounting: Amigos conforms to the Financial Accounting Standards Board (FASB) statements for non-profit accounting. Accordingly, Amigos will maintain the sponsorship account balance and will provide the NOI with quarterly accounting of the sponsorship account.



8. Accrual: In maintaining the sponsorship account, Amigos will maintain necessary liquidity to meet the group's needs, and will not put the principal at risk. Interest, dividends, or gain do not accrue to the sponsorship account or NOI but are retained by Amigos.

9. Improper Use: No funds may be used in any attempt to influence legislation within the meaning of Internal Revenue Code IRC Section 501© 3 and no agreement, oral or written, which is contrary to that prohibition has been made between Amigos and the NOI. The NOI shall not use any portion of the monies distributed herein to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, nor encourage violation of law or public policy nor cause any improper private benefit to occur, nor take any other action inconsistent with IRC Section 501 (c) 3 .

10. Release of Liability: The NOI hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend and hold harmless Amigos, its officers, directors, trustees, employees and agents, from and against any and all claims, debts, liabilities, losses and expenses including reasonable attorney's fees, directly, indirectly, arising from or in connection with any act or omission of the NOI, its employees or agents, in expending or applying the monies furnished pursuant to the document or in carrying out the program to be funded or financed.

11. Key Individuals: The NOI shall notify Amigos immediately of any change in the NOI's legal or tax status, or the NOI's key staff, organizations, or key volunteers responsible for achieving the NOI's purposes.

12. Interpretation of Document: This document shall be interpreted in a manner consistent with the Internal Revenue Code and pertinent regulations. No provision in this document shall be interpreted in a manner that jeopardizes Amigos as a qualified charitable organization.

13. Termination of Sponsorship: Amigos may terminate this sponsorship within 30 days notice. Upon termination of the sponsorship, the Board of Amigos Bravos will determine the status of the remaining monies in the sponsorship account in a manner consistent with Amigos Articles of Incorporation, Bylaws, the Internal Revenue Code, and pertinent regulations.

In witness whereof, the parties have executed this Agreement effective on the \_\_\_\_\_ day of \_\_\_\_\_.

Amigos Bravos: Friends of the Wild Rivers

BY: \_\_\_\_\_ BY: \_\_\_\_\_  
Officer of the Board Executive Director

NOI

BY: \_\_\_\_\_ Name: \_\_\_\_\_

BY: \_\_\_\_\_ Name: \_\_\_\_\_

## **SAMPLE #7**

**From: River Network Files**

### **SAMPLE FISCAL SPONSORSHIP AGREEMENT**

This is an agreement made on \_\_\_\_\_ date, by and between the Sponsor and the Project

**The Sponsor:** The Sponsor is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"). It is formed for purposes, which include ...

**The Project:** The Project is an unincorporated organization formed for the purposes of ...

**The Agreement:** The Sponsor is willing to receive tax-deductible charitable contributions for the benefit and use of implementing the Project. The Project, with the administrative assistance of the Sponsor, desires to use these funds in order to implement the Project's purposes.

By entering into this Agreement, the parties agree to the following terms and conditions:

1. **Receipt of funds:** The Sponsor agrees to receive grants, contributions and gifts to be used for the Project, and to make those funds available to the Project.
2. **Acknowledgment of charitable donations on behalf of the Project:** The Sponsor agrees that all grants, charitable contributions and gifts which it receives for the Project will be reported as contributions to the Sponsor as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. The Sponsor agrees to notify the Project of any change in its tax-exempt status.
3. **Protection of tax-exempt status:** The Project agrees not to use funds received from the Sponsor in any way which would jeopardize the tax-exempt status of the Sponsor. The Project agrees to comply with any written request by the Sponsor that it cease activities which might jeopardize the Sponsor's tax status, and further agrees that the Sponsor's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the Sponsor before implementation. The Sponsor retains the right, if the Project breaches this Agreement, or if the Project jeopardizes the Sponsor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
4. **Use of funds:** The Sponsor also authorizes the Project to make expenditures, which do not exceed total contributions for the Project, on its behalf for use in the Project. The Project agrees to use any and all funds received from the Sponsor solely for legitimate expenses of the Project and to account fully to the Sponsor for the disbursement of these funds. On behalf of and with its funds, the Sponsor will pay for the Project's direct expenses like salary and benefits for Project staff, computers, and travel and meeting expenses. The Sponsor will obtain authorization from the Project to pay these expenses using the Project's funds.

5. Financial procedures: The Project must act within the financial policies outlined in the Sponsor's Financial Procedures Manual. Subjects of particular interest to the Project include: Cash Disbursements, Purchasing, Travel and Expenses, Consultants, Grants and Contracts, and Other – Fiscal Agent Status.

6. Reimbursement for use of office space and administrative support: In addition to serving as fiscal sponsor for the Project, the Sponsor will provide limited office space and administrative support on an "as available" basis to the Project. The Project will reimburse the Sponsor for office and administrative costs including reception, payroll and accounting support, rent, telephone, internet access, access to copy and fax machines, supplies, postage, printing, and long distance telephone. From \_\_\_\_\_ (date) to \_\_\_\_\_ (date), the monthly fee related to the use of office space and administrative support will be \$\_\_\_\_\_. This amount will be adjusted by the Sponsor on \_\_\_\_\_ (date), and annually thereafter.

7. Financial accounting and reporting: The Sponsor will maintain books and financial records for the Project in accordance with generally accepted accounting principles. The Project's revenue and expenses shall be separately classed in the books of the Sponsor. The Sponsor will provide reports reflecting revenue and expenses to the Project on a monthly basis, within two weeks after the end of each month, and, on an annual basis, within three months after the end of each fiscal year of the Sponsor.

8. Employment: Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Project shall be at-will employees of the Sponsor and subject to the same personnel policies and benefits that apply to all employees of the Sponsor.

9. Governance: Authority to manage the programmatic activities of the Project is delegated to its Steering Committee, subject at all times to the ultimate direction and control of the Sponsor's Board of Directors.

10. Fundraising: The Project may solicit gifts, contributions, and grants on behalf of the Sponsor which are earmarked for the activities of the Project. The Project's choice of funding sources to be approached and the text of the Project's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the Sponsor. The Sponsor's Executive Director must co-sign all original letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be executed by the Sponsor. The cost of any reports or other compliance measures required by such funding sources shall be borne by the Project. The Sponsor's Operations Manager must be copied at least one week in advance on all progress and final report submissions. The Sponsor shall be responsible for the processing and acknowledgment of all monies received for the project, which shall be reported as the income of the Sponsor for both tax purposes and for purposes of the Sponsor's financial statements. Grants involving government or public agency monies have substantial reporting and auditing requirements; therefore, if the Project desires to apply for government or public agency grants, the Project must get advance approval to do so from the Sponsor's Executive Director.

11. Renewal of this agreement: If both the Sponsor and Project desire to do so, this agreement may be renewed on \_\_\_\_\_ (date), and annually thereafter.

12. Termination: Either party may terminate this Agreement by giving 60 days' written notice to the other party. If the Project will continue to exist but one of the parties desires to terminate the Sponsor's fiscal sponsorship of the Project, the following terms and conditions shall apply. Another nonprofit

corporation which is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) must be willing and able to sponsor the Project (the "Successor").

The Successor must be approved in writing by both parties by the end of the 60-day written notice period. If the parties cannot agree on a Successor to sponsor the Project, the Project shall have an additional 60 days to find a Successor willing and able to sponsor the Project. If a Successor is found, the balance of assets held by the Sponsor for the Project, together with any other assets held or liabilities incurred by the Sponsor in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If the Project has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code no later than the end of the notice period or any extension thereof. If no Successor is found, the Sponsor may allocate the Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

This Agreement will remain in force until the stated end of the project on \_\_\_\_\_ (date) or it is terminated with 60 days written notice by either the Sponsor or the Project, whichever date is sooner.

By signing below, both parties agree to execute this Agreement on the day and year first written above.

Sponsor

By: \_\_\_\_\_  
(Date)

By: \_\_\_\_\_  
(Date)

**SAMPLE #8**

**From: St. Croix River Association (MN)**

**STATEMENT OF FISCAL AGENCY RELATIONSHIP AND AGREEMENT**

This agreement is entered into between the St. Croix River Association (the Association), an IRS certified Section 501(c)(3) organization and a Minnesota registered non-profit corporation, and the following organization (the “participating organization”): XYZ

- 1) The decision to become a participating organization has been authorized by action of duly designated officers of the participating organization.
- 2) The relationship between the participating organization and the Association is subject to all regulations specified by the United States Internal Revenue Service regarding its Section 501(c)(3) classification for the Association.
- 3) The participating organization will provide an authorized statement of its mission or purpose, articles and by-laws (if such exist) names, addresses, telephone numbers, and email addresses of its officers and directors with a specific representative designated for regular contact and determination of actions by the Association on behalf of the participating organization. The participating organization’s mission or purpose must be compatible with that of the Association as determined by the Association.
- 4) The participating organization must be registered as an Organization Member of the Association either by membership application or by the application of first funds received toward the Association’s annual \$35 (thirty-five) fee for organization memberships.
- 5) The organization will communicate with the Association regarding plans for fundraising and events, especially when grant requests exceed \$5,000 (five thousand.)
- 6) To insure tax deductibility, all checks and/or other fund transmittal documents from donors to be handled through fiscal agency should be made payable to the Association.
- 7) Funds contributed by members or supporters of the participating organization may be transmitted directly to the Association by contributors or in batches by the participating organization. The participating organization is responsible for identifying funds sent as contributed on behalf of the participating organization.
- 8) Funds received by the Association will be separately accounted for (though may be intermingled in the Association’s general fund), and subject to paragraph 12 below, will not be used by the Association for any purposes other than toward the participating organization’s stated projects or objectives without the express permission of authorized person(s) of the participating organization which will designate said authorized person(s).
- 9) As prescribed by IRS regulation, all expenditures from funds held must be at the discretion of the Association through decision of its Executive Director, officers, or on appeal, its Executive Committee, by determining that such expenditures are within the mission of the Association and that of the participating organization. Expenditures will be considered upon the written request

from the participating organization's designated representative specifying the purpose for which the expenditure is intended. More than one representative may be designated for this purpose.

- 10) The Association will maintain a record of all funds received, expenditures made and current balance and will provide such record to the participating organization regularly or on request.
- 11) The participating organization will provide the Association with copies of its financial statements and reports in such fashion and time as they are provided to the organization's directors or on the request of the Association.
- 12) Funds received by and financial transactions handled by the Association on behalf of the participating organization will be subject to and included within the annual audit of the Association. Copies of the annual audit and of the Association's IRS form 990 report will be made available to the participating organization upon request.
- 13) To partially offset handling postage and administrative costs, the Association may assess handling fees for serving as a fiscal agent in the month in which activity is recorded. Interest earned on all funds shall in any event accrue to the Association.
- 14) This agreement will continue until revoked by either party upon 30 (thirty) days notice after which time any remaining funds held less outstanding obligations shall be returned to the participating organization.

Accepted by:

For:  
XYZ  
(Date )

For:  
St. Croix River Association  
(Date )

## **SAMPLE #9**

### **From: Oregon Environmental Council (OR)**

#### FISCAL SPONSORSHIP AGREEMENT

This Agreement is made by and between the Oregon Environmental Council (OEC), and the XYZ. OEC is an Oregon nonprofit public benefit corporation located in Portland, Oregon, qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

#### RECITALS

A. The OEC Board of Directors has approved the establishment of a restricted fund to account for donations of cash and other property earmarked for support of the Project known as the XYZ Project (the Project) and to make disbursements in furtherance of the Project's mission. The XYZ [an unincorporated association, established 2003] will manage the affairs of the Project. Currently, the principal office of the Project is located at XXXX.

B. OEC desires to act as the fiscal sponsor of the Project, by receiving assets and incurring liabilities identified with the Project beginning on the effective date, and using them to pursue the objectives for which the Project is being established, which OEC's Board has determined will further the charitable and educational goals of OEC. The XYZ desires to manage the Project under the sponsorship of OEC.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Term of Agreement. On \_\_\_\_\_, 2004 (the effective date), OEC shall assume operation of the Project, which operation shall continue in effect unless and until terminated under Paragraph 5 below.

2. Project Activities and Sponsorship Policies. All community programs, public information work, fundraising events, processing and acknowledgment of cash and noncash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of Project funds (including grants), and other activities planned by the Project shall be the ultimate responsibility of OEC, beginning on the effective date. Unless otherwise agreed, any tangible or intangible property, including copyrights, obtained or created in connection with the Project shall be the property of OEC while this Agreement is in effect. Authority to manage the program activities of the Project is delegated to the XYZ, subject at all times to the ultimate direction and control of the OEC Board of Directors. The XYZ shall abide by the Sponsorship Policies of OEC set forth on the attached Exhibit 1, which may be amended from time to time with the consent of the XYZ.

3. Restricted Fund/Variance Power. Beginning on the effective date, OEC shall place all gifts, grants, contributions, and other revenues received by OEC and identified with the Project into a restricted fund to be used for the sole benefit of the Project's mission as that mission may be defined by the XYZ from time to time with the approval of OEC. OEC retains the unilateral right to spend such funds so as to accomplish the purposes of the Project as nearly as possible within OEC's sole judgment, subject to any donor-imposed restrictions, as to purpose, on the charitable use of such assets. The parties agree that all money, and the fair market value of all property, in the restricted fund be reported as the income of

OEC, for both tax purposes and for purposes of OEC's financial statements. It is the intent of the parties that this Agreement be interpreted to provide OEC with variance powers necessary to enable OEC to treat the restricted fund as OEC's asset in accordance with Interpretation No. 42 of Statement No. 116 issued by the Financial Accounting Standards Board, while this Agreement is in effect.

4. Restricted Fund Management / Performance of Charitable Purposes. All of the assets received by OEC under the terms of this Agreement shall be devoted to the purposes of the Project, within the tax-exempt purposes of OEC. No item of revenue from the project, shall be earmarked to be used in any attempt to influence legislation within the meaning of IRC Section 501(c)(3); no agreement, oral or written, to that effect shall be made between OEC and any revenue source. OEC shall not use any portion of the assets to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with IRC Section 501(c)(3).

5. Termination. This Agreement shall terminate when the objectives of the Project can no longer reasonably be accomplished by OEC. If the objectives of the Project can still be accomplished, but either the XYZ or OEC desires to terminate OEC's fiscal sponsorship of the Project, the following understandings shall apply. Either OEC or the XYZ may terminate this Agreement on 60 days' written notice to the other party, so long as another nonprofit corporation which is tax-exempt under IRC Section 501(c)(3), and is not classified as a private foundation under Section 509(a) (a Successor), is willing and able to sponsor the Project and is approved in writing by both parties by the end of the 60-day period. If the parties cannot agree on a Successor to sponsor the Project, the XYZ shall have an additional 120 days to find a Successor willing and able to sponsor the Project. If a Successor is found, the balance of assets in OEC's restricted fund for the Project, together with any other assets held or liabilities incurred by OEC in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If the XYZ has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service, indicating that such qualifications have been met, no later than the end of the notice period or any extension thereof. If no Successor is found, OEC may dispose of the Project assets and liabilities in any manner consistent with applicable tax and charitable trust laws. Either party to this Agreement may terminate this Agreement, based upon a material breach of this Agreement by the other party, by giving 30 days' written notice to the other party. Both parties agree to review and potentially revise the agreement one year after signing.

6. Miscellaneous. In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs of sustaining its position. Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This Agreement shall be interpreted and construed in accordance with the laws of the State of Oregon. Time is of the essence of this Agreement and of each and every provision hereof.

7. Arbitration. In the event of any dispute under this Agreement, the parties shall attempt to resolve the matter themselves in an amicable manner. If a dispute arises which cannot be resolved, either party can request mediation. A professionally trained mediator will be agreed upon and paid equally by each



party. If a mediator cannot be agreed upon, each party shall choose a representative and the representative shall choose a mediator. The purpose of the mediation is to resolve differences while maintaining good relationships. An agreement to mediate does not preclude any other recourse. Failing resolution, any dispute under this Agreement shall be resolved by arbitration in Oregon in accordance with commercial arbitration rules of the Judicial Arbitration and Mediation Services (JAMS) then in effect, or any other rules mutually agreed to by the parties. Any award or order made in any such arbitration may be entered as a judgment in a court of competent jurisdiction. Any dispute, and the resolution thereof in any manner, shall be and remain confidential information, and all parties shall protect the confidential information from public disclosure, using any and all reasonable legal and technical means.

**8. Entire Agreement.** This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement effective on the \_\_\_\_\_ day of \_\_\_\_\_, 2004.

OEC

By: \_\_\_\_\_

Dated: \_\_\_\_\_

XYZ

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**SAMPLE #10**

**From: Montana Watershed Coordination Council (MT)**

Jun 21 10 03:33p

p.1

## **FISCAL AGENT ARRANGEMENT**

between the  
**MONTANA WATERSHED COORDINATION COUNCIL**  
and the  
**SOIL AND WATER CONSERVATION DISTRICTS OF MONTANA, INC.**

This Arrangement includes the Soil and Water Conservation Districts of Montana, Inc. (SWCDMI) (the "Fiscal Agent") and Montana Watershed Coordination Council (MWCC) (the "Sponsored Organization").

### **Basis**

The SWCDMI recognizes that Montana has become a national leader in local watershed efforts to solve natural resources issues. Among other reasons, the SWCDMI supports and participates in the MWCC because of the MWCC's recognition that local input and ideas to address watershed problems are the most democratic and the most effective in the long run. Both the MWCC and the SWCDMI recognize that local citizens and communities need a voice in resolving natural resource issues in the diverse watersheds in Montana. Resolution of these issues has been very successful using a watershed approach.

The SWCDMI recognizes Conservation Districts have a legal responsibility in the management and regulation of Montana's waterways. As such, the SWCDMI desires to cooperate with the MWCC in the resolution of natural resource issues in local watersheds. The SWCDMI's cooperation involves its participation as a member of the MWCC. As such, the SWCDMI is willing to provide accounting and other services for the fiscal affairs of the MWCC. The SWCDMI will not assume or exercise any supervisory authority over the MWCC or its staff in providing accounting services. The MWCC cannot assume or exercise any supervisory authority over the SWCDMI or its staff.

In general, and as detailed in this Arrangement, the accounting services that will be provided include the responsibility to:

- A. Provide accounts payable/receivable bookkeeping for MWCC funds in a separate account, and supply a monthly financial report.
- B. Prepare and provide quarterly updates on MWCC budget vs. actual expenses.
- C. Prepare and provide an annual financial statement to MWCC.
- D. Sign MWCC grant applications that require a 501 (c) (3) entity as a signatory, if necessary and to the extent allowed by law.
- E. Perform required audits as per IRS and Department of Revenue laws, rules, and regulations.

In addition to providing accounting services, the SWCDMI will coordinate resources and information with the MWCC. The SWCDMI will also collaborate with the MWCC on education, outreach and training programs related to natural resource conservation.