

## Fiscal Sponsorship Agreement

The Middletown Community Foundation (hereinafter referred to as “Foundation”) has found that \_\_\_\_\_ (hereinafter referred to as “Project”) will further the Foundation’s tax exempt purposes. Therefore, the Foundation in \_\_\_\_\_ created a fund designated for such project, and has decided to grant all amounts that it may deposit to that fund, less any administrative charge as set forth below, to the Project, subject to the following terms and conditions:

1. Since the Project is not a recognized tax-exempt entity, the Foundation must exercise full control over the Project’s administration, management, and disbursement of funds. Project shall use the funds solely for the project described \_\_\_\_\_, and Project shall repay to the Foundation 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 the Foundation before implementation. The Foundation retains the right, if Project breaches this Agreement, or if Project’s conduct of the project jeopardizes the Foundation’s legal or tax status, to withhold, withdraw, or demand immediate return of funds, and to redirect such funds so as to accomplish the purposes of the project as nearly as possible within the Foundation’s sole judgment. Any tangible or intangible property, including copyrights and trademarks, obtained or created by Project as part of this project shall remain the property of Project. Project will allow the Foundation use of these materials for purposes of implementing the project when requested in writing.
2. Project may solicit gifts, contributions, and grants to the Foundation, earmarked for Grantor’s fund for this project. Project’s choice of funding sources to be approached and the text of Project’s fund raising materials are subject to the Foundation’s prior written approval. All printed material must identify the project as “*The \_\_\_\_\_ Fund of the Middletown Community Foundation*”. All grant agreements, pledges, or other commitments with funding sources to support this project via the Foundation’s fund shall be executed by the Foundation. The Foundation will acknowledge all contributions to the Fund in writing and will provide regular financial reports to the Project. The cost of any reports or other compliance measures required by such funding sources shall be borne by Project. Project is also responsible for any reporting or compliance measures required by funding sources and must submit these reports to the Foundation for approval prior to submitting to funding source. Project understands that it is responsible for insurance, debts, tax reporting and any other liabilities.
3. The fund shall be administered in strict compliance with the governing instruments of the Foundation including the Articles of Incorporation and Code of Regulations, all as amended from time to time, and any resolutions and procedures from time to time in effect. All the provisions of such governing instruments of the Foundation and such resolutions and procedures are incorporated in this Agreement and by this reference made a part hereof. This agreement is subject to the variance power of the Board of Trustees of the Foundation which shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, or, in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Greater Middletown area. It is intended that the fund shall be a component part of the Foundation and not a separate trust, and that nothing in this Agreement shall affect the status of the Foundation as an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, and as an organization which is not a private foundation within the meaning of Section 509 (a) of the Code.

This agreement shall be interpreted to conform to the requirements of the foregoing provisions of the federal tax laws and any regulations issued pursuant thereto. The Foundation is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation in order to carry out the purposes of this Fund. References herein to provisions of the Internal Revenue Code of 1986, as amended, shall be deemed references to the corresponding provisions of any future Internal Revenue Code.

4. The Foundation will disburse grant payments to the Project in the amount that outside funds are received for the project, subject to the conditions of this Agreement.
5. The Foundation shall charge reasonable and normal administrative fees as determined by the Board of Trustees in exchange for providing its services as fiscal sponsor of the Project. At the time of this agreement, the annual administrative fee is 100 basis points with a minimum annual fee of \$100 assessed on a monthly basis as one-twelfth of 1 percent of the Fund's average market value in the previous 12 months. The Fund shall also be assessed any fees or expenses charged to the Foundation by an investment manager, bank or other custodian of the Fund, including any fees associated with processing credit card payments and online donations. The Foundation reserves the right to modify this fee, should administration of the Fund prove to be more time-consuming than anticipated.
6. Nothing in this Agreement shall constitute the naming of Project as an agent or legal representative of the Foundation 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 Project shall make no such representation to anyone.
7. Any persons hired by the Project shall be independent contractors and not employees of the Foundation.
8. Project shall submit progress reports to the Foundation on at least an annual basis. The report shall describe the charitable programs conducted by the Project. Other relevant documents, such as project budgets and planning documents, must be regularly forwarded to the Foundation as they are updated.
9. 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. No agreement, oral or written, to that effect has been made between the Foundation and Project.
10. Project shall not use any portion of the funds granted herein to participate or intervene in any political campaign on behalf of or in opposition of 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, not to take any other action inconsistent with IRC Section 501(c) 3.
11. Project shall notify the Foundation immediately of any change in (a) Project's legal or tax status, or (b) Project's executive staff or key staff responsible for achieving the Project's purpose.
12. Fiscal sponsor services will be extended by the Foundation for twelve (12) months beginning the date this agreement is signed. At the end of twelve (12) months, the services may be renewed through the signing of a new agreement.

13. 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 Foundation's fiscal sponsorship of the Project, the following terms and conditions shall apply:

- a. 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 Project (the "Successor").

This Agreement will remain in force until it is terminated with 60 days written notice by either the Foundation or the Project, whichever date is sooner.

14. This agreement shall be governed by and construed in accordance with the laws of the state of Ohio.

15. 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 writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement on the \_\_\_ day of \_\_\_\_\_, 2014.

_____ (project organization)	
_____ (name, title)	_____ DATE

<b>Middletown Community Foundation</b>	
_____ T. Duane Gordon, Executive Director	_____ DATE