

**FISCAL SPONSORSHIP AGREEMENT (Updated 4/2018)**

This Fiscal Sponsorship Agreement (this “Agreement”) is entered into by and between the New Mexico Senior Sports Foundation (hereinafter referred to as “NMSSF”), a New Mexico nonprofit corporation, and the \_\_\_\_\_ hereinafter referred to as the “Sponsored Organization”).

**RECITALS:**

- A. The NMSSF is a New Mexico nonprofit corporation whose general charitable and educational purposes include providing athletic and recreational experiences for adults 50 years of age and older, promoting health and fitness among the same group through the sponsorship and support of amateur athletic competitions and training associated with such competitions, and assisting senior athletes to attain healthy lifestyles through education, fitness, and sports.
- B. The NMSSF has an Internal Revenue Service (“IRS”) determination letter of qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and is classified as a public charity under Code Sections 509(a)(1) and 170(b)(1)(A)(vi).
- C. The Sponsored Organization wishes to utilize the services and sponsorship of the NMSSF to further goals and objectives which are identical or substantially similar to those of the NMSSF, in the conduct of a certain project, described as: encouraging health and fitness for individuals 50 years of age and older through participation in the sport of \_\_\_\_\_ (hereinafter referred to as the “Project”).
- D. The Sponsored Organization desires to have the NMSSF act as its fiscal sponsor for the purpose of soliciting and receiving gifts, grants, contributions and other revenues (collectively, “donations”) and distributing such funds to the Sponsored Organization, subject to the oversight of the NMSSF, to be used exclusively in support of the Project.
- E. The board of the NMSSF has determined that the Sponsored Organization furthers the NMSSF’s charitable goals and tax-exempt purposes. The board of directors of the NMSSF has authorized the NMSSF to enter into a fiscal sponsorship agreement with the Sponsored Organization whereby the NMSSF will receive donations on its own behalf and disburse such funds to the Sponsored Organization in support of the Project, in accordance with the terms and conditions of this Agreement.

**NOW THEREFORE**, the parties hereby agree as follows:

**A. Effective Date**

This Agreement shall become effective on \_\_\_\_\_, 20\_\_.

## **B. Fiscal Sponsorship**

1. NMSSF agrees to receive grants, contributions and gifts to be used for the Project, and to make those funds available to the Sponsored Organization, within a reasonable time following receipt. The Sponsored Organization authorizes the NMSSF to make purchases and pay expenses on its behalf from the funds received by NMSSF.
2. Sponsored Organization agrees to use any and all funds received from NMSSF solely for legitimate expenses of the Project, and to account fully to NMSSF for the receipt and disbursement of all funds on at least a quarterly basis, or sooner if an accounting is requested by NMSSF.
3. During the pendency of the Project, the NMSSF through its representatives or agents, upon request, shall have the right to audit books and records and to make suitable verifications and/or inspections to insure that the Project is being operated as represented, and in conformance with the purposes and objectives of NMSSF, and Sponsored Organization agrees to cooperate with any verifications or inspections.
4. NMSSF agrees that all grants, charitable contributions and gifts it receives for the Project will be reported as contributions to it 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. Sponsored organization agrees to notify NMSSF of any change in the Project's plan and/or operation while this Sponsorship Agreement is in effect.
5. NMSSF agrees not to use funds received from Sponsored Organization for purposes other than the Project, except for those payable to NMSSF for its administrative expenses.
6. Sponsored Organization agrees to abide by the guidelines established by the NMSSF with respect to any fundraising or promotional activities, and shall immediately cease and desist from any fundraising or promotional activities which the NMSSF determines, in its sole discretion, will be detrimental to the purposes and/or objective of NMSSF.
7. Sponsored Organization agrees that it will acknowledge its affiliation with NMSSF on all promotional materials.
8. NMSSF shall be entitled to deduct from the funds that it receives on behalf of the Sponsored Organization administrative fees as follows:
  - a. Bank charges for excess checks written on behalf of Sponsored Organization during the month (over 20 checks).
  - b. All postage fees incurred for donation acknowledgements and check distribution.

- c. Any other administrative fees determined to be incurred by the NMSSF on behalf of the Sponsored Organization.

### **C. Restrictions on Use of Sponsored Program Funds**

1. **Tax-Exempt Purposes** The Sponsored Organization shall use the funds it receives from the NMSSF solely for purposes of the Sponsored Organization and shall not use such funds in any way that will jeopardize the tax-exempt status of the NMSSF. The Sponsored Organization agrees to comply with any written request by NMSSF that it cease activities which might jeopardize NMSSF's tax status and further agrees that NMSSF's obligation to make funds available to it, is suspended in the event that it fails to comply with any such written request.
2. **Prohibited Activities** No portion of the Sponsored Organization funds shall be used in any attempt to influence legislation unless approved in advance by the NMSSF. No portion of the Sponsored Organization Funds shall be used to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, induce or encourage violations of law or public policy, cause private inurnment or improper private benefit to occur, support terrorist activities, terrorist organizations or individual who engage in or support terrorist activities, or take any other action inconsistent with qualification under Section 501(c)(3) of the Code.

### **D. Duration of Agreement**

This Agreement shall remain in effect until the earliest of the following:

1. The Sponsored Organization receives a determination letter from the IRS of its qualification under Section 501(c)(3) of the Code
2. Three years from the effective date of this Agreement, unless terminated earlier by: a) mutual agreement, or by b) breach of the Fiscal Sponsorship Agreement. At that time, the Sponsorship Agreement may be renegotiated between the parties and a new Agreement signed.
3. Either party may terminate this Sponsorship Agreement for any reason, by giving 30 days written notice to the other party.

### **E. Disposition of Sponsored Organization Funds in Termination**

If there are any Sponsored Organization funds remaining after this Agreement has terminated, the following terms and conditions shall apply:

1. If the Sponsored Organization has received a determination letter from the IRS of its qualification under Section 501(c)(3) of the Code, the NMSSF shall transfer the balance of all Sponsored Organization funds, net of any liabilities incurred by NMSSF in connection with the Sponsored Organization, to the Sponsored Organization for use in the Sponsored Project.
2. If the Sponsored Organization has entered into a written fiscal sponsorship agreement with another fiscal sponsor that has an IRS determination letter of qualification under Section 501(c)(3) of the Code, then the NMSSF shall transfer the balance of any Sponsored Organization funds, net of any liabilities that the Sponsored Organization has incurred in connection with the Sponsored Project, to such new fiscal sponsor for use in the Sponsored Project.
3. In the event that the Sponsored Organization has not received an IRS determination letter from the IRS of qualification under Section 501(c)(3) of the Code, the Sponsorship Organization may allocate the Sponsored Project funds in any manner consistent with applicable tax and charitable trust laws.

**F. Miscellaneous Provisions:**

1. Amendments This agreement may not be amended or modified, except in a writing signed by both parties hereto.
2. Dispute Resolution In the event of a dispute under this Agreement, the NMSSF and the Sponsored Organization shall make a good faith effort to resolve such dispute cooperatively before seeking to resolve any dispute by arbitration or otherwise proceeding with any remedy available at law or in equity.
3. Governing Law This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Mexico.

Sponsored Organization

By \_\_\_\_\_

Date \_\_\_\_\_

New Mexico Senior Sports Foundation

By \_\_\_\_\_

Date \_\_\_\_\_