[THIS IS A SAMPLE FISCAL SPONSORSHIP AGREEMENT. IT IS DESIGNED ONLY AS A TEMPLATE, AND CARE SHOULD BE TAKEN TO MODIFY THE TERMS OF THIS AGREEMENT TO FIT THE FACTS AND CIRCUMSTANCES OF THE ARRANGEMENT FOR WHICH IT IS TO BE USED. THE PARTIES SIGNING THIS AGREEMENT SHOULD EACH WORK WITH LEGAL COUNSEL TO REVIEW AND REVISE THE TERMS.]

**FISCAL SPONSORSHIP AGREEMENT**

This Fiscal Sponsorship Agreement (“Agreement”) is made on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[MONTH DAY, YEAR], by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [NAME OF SPONSOR] (“Sponsor”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [NAME OF PROJECT] (“Project”).

**Sponsor**: Sponsor is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [PROVIDE THE STATE IN WHICH SPONSOR IS INCORPORATED OR DOMICILED] nonprofit \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [TRUST/CORPORATION], exempt from federal income tax as an organization described under Section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”). Sponsor’s registered addressed is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [ADDRESS ON FILE WITH THE DEPARTMENT OF STATE OR IN ITS TRUST DOCUMENT] and its principal place of business is at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [MAILING ADDRESS]. Sponsor is organized and operated exclusively for the following exempt purpose(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[SPONSOR’S PURPOSE(S)]. The Sponsor’s purpose(s) are consistent with the purposes of the Project, described below.

**Project:** Project is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [NONPROFIT CORPORATION/FOR-PROFIT CORPORATION/TRUST/LLC/LP/etc.], formed in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [STATE IN WHICH PROJECT IS FORMED]. Its principal place of business is at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [MAILING ADDRESS]. The Project’s purpose is to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which it achieves by undertaking the following activities: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [PROJECT’S ACTIVITIES]. Project is not recognized by the Internal Revenue Service as a tax-exempt entity described under Section 501(c)(3) of the Code, and it desires to enter into a fiscal sponsorship arrangement with the Sponsor so that it may solicit and receive charitable contributions in furtherance of its purposes and activities. [IF SERVICES WILL BE PROVIDED, THEY SHOULD BE REFERENCED HERE]

**Purpose of this Agreement:** In furtherance of its charitable purposes, and on the terms and conditions described below, Sponsor agrees to receive tax-deductible charitable gifts, grants and contributions from third-party funders ("Funders") on behalf of the Project for the Project’s purposes described above. [IF SERVICES WILL BE PROVIDED, THEY SHOULD BE REFERENCED HERE, TOO]

# TERMS AND CONDITIONS OF FISCAL SPONSORSHIP

1. **Distribution of Funds**
   1. Subject to the terms of this Agreement, Sponsor shall hold and distribute to Project any funds Sponsor receives on behalf of the Project (“Project Funds”). Project Funds include \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [DEFINE PROJECT FUNDS IN MORE DETAIL HERE, AS NEEDED]. Sponsor will distribute to the Project on a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [QUARTERLY, MONTHLY, etc.] basis the Project Funds, less an Administrative Fee set forth below in Paragraph 4 and any interest earned on the Project Funds.
   2. Project understands, and Sponsor acknowledges, that Sponsor is required by law to retain full legal ownership of, and discretion and control over, the Project Funds. Sponsor retains full discretion and control over the process of selecting the Project as a recipient of the Project Funds, the distribution of the Project Funds, and the expenditure of the Project Funds, completely independent of any Funder or other revenue source. Sponsor retains the unilateral power (i.e., the Sponsor does not need approval from any funding source, from the Project, or from any other interested party) to redirect use of the Project Funds away from the Project to another beneficiary capable of fulfilling the purposes of the Project. However, Sponsor acknowledges that the Project Funds are restricted funds, held in charitable trust under the laws of the Commonwealth of Pennsylvania, such that uses of the Project Funds are limited to the purposes for which they were collected.
   3. If Project breaches this Agreement, or if Project’s conduct jeopardizes Sponsor’s tax-exempt status or imposes a legal obligation or risk that in Sponsor’s sole judgment is undesirable, Sponsor may, in Sponsor’s sole discretion, withhold, withdraw, or demand from Project the immediate return or repayment of the Project Funds, and Sponsor may redirect, or spend, such Project Funds in order to accomplish the purposes of the Project as nearly as possible within Sponsor's sole judgment.
2. **Use of Funds**
3. Project shall use Project Funds solely for the Project’s purposes as described above, and Project shall repay to Sponsor any unused portion of the Project Funds.
4. Project must obtain written permission from Sponsor before making any changes to the scope or nature of the Project, as its purposes and activities are described above.
5. Project Funds may not be used to influence legislation within the meaning of Code Section 4911(d). No agreement, oral or written, has been made between the parties to earmark Project Funds for this purpose, and thus, any use of Project Funds by Project for such activities constitutes a decision solely of the Project, wholly independent of the Sponsor.
6. Project Funds may not be used in any manner to enable the Project 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, or to take any other action inconsistent with the restrictions set forth in Code Section 501(c)(3) and its accompanying regulations. No agreement, oral or written, has been made between the parties to earmark Project Funds for these purposes, and thus, any use of Project Funds by Project for such activities constitutes a decision solely of the Project, wholly independent of the Sponsor.
7. **Oversight and Management of Funds**
8. Sponsor’s Board of Directors has reviewed and evaluated the Project and has determined that acting as a fiscal sponsor for the Project is consistent with the Sponsor’s exempt purposes.
9. Sponsor shall keep, at its own expense, accurate, true and complete books and records with respect to its receipt of any Project Funds, and its distribution of the same. Sponsor shall provide Project with an accounting of all Project Funds received from Funders.
10. Project shall keep, at its own expense, accurate, true and complete books and records with respect to its receipt and spending of the Project Funds. Such books and records shall be kept at the Project’s principal place of business and shall be made available to Sponsor and its representatives for a period of \_\_\_ [NUMBER OF YEARS] years after the distribution of the Project Funds, so as to allow Sponsor to verify the Project’s compliance with the terms of this Agreement. Such audits may be conducted no more than once a calendar quarter. Sponsor shall provide Project with written notice at least ten (10) days prior to the date of the proposed audit. Sponsor shall be solely responsible for the costs of such audit. Failure on the part of Project to provide full cooperation and adequate documentation in the event of an audit shall be considered a breach of this Agreement.
11. Sponsor may pool Project Funds for investment purposes. Any interest earned on the Project Funds while invested in Sponsor’s account will be retained in Sponsor’s general fund.
12. **Administrative Fee**

Sponsor will charge an Administrative Fee of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [INSERT PERCENTAGE] percent (\_\_\_%) of the Project Funds to defray administrative costs.

1. **Solicitation and Acceptance of Project Funds on Project’s Behalf**
2. Project is solely responsible for soliciting charitable funds for the Project, and shall disclose in each solicitation that Sponsor will accept gifts, contributions, and grants on the Project’s behalf as its fiscal sponsor. Project must obtain Sponsor’s written approval of any solicitation materials (including any written solicitations, voice recordings or scripted solicitations) prior to soliciting funds.
3. The parties acknowledge that Project is not an agent of Sponsor for purposes of soliciting charitable contributions. Project is not authorized to make any binding commitments, either express or implied, to funding sources on behalf of Sponsor. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be executed by Sponsor.
4. THE SPONSOR AND PROJECT ARE EACH RESPONSIBLE FOR COMPLYING WITH ALL APPLICABLE LAWS GOVERNING THE SOLICITATION OF CHARITABLE FUNDS. EACH PARTY SHALL BEAR ITS OWN COSTS OF PREPARING AND FILING ANY REGISTRATIONS OR COMPLIANCE REPORTS. Sponsor and Project are both registered to solicit contributions in the Commonwealth of Pennsylvania. See Exhibit A for a copy of the registration certificates.
5. Project understands that any payments made to Sponsor for the Project are only tax-deductible as charitable contributions under the Code to the extent that they are motivated by donative intent. Sponsor reserves the right to refuse any charitable contribution, and Sponsor assumes no responsibility for ensuring that contributions to Sponsor for the Project are tax-deductible to any particular Funder.
6. **Reporting Requirements**
7. Sponsor shall comply with any and all of its IRS reporting obligations; federal, state and local employment laws; and all other applicable federal, state and local laws. PROJECT UNDERSTANDS AND ACKNOWLEDGES THAT THE PROJECT MUST COMPLY WITH ITS OWN TAX AND CORPORATE FILING AND COMPLIANCE REQUIREMENTS AND ALL OTHER LEGAL OBLIGATIONS THAT IT HAS AS A SEPARATELY EXISTING ENTITY, AND THAT IT IS NOT SPONSOR’S OBLIGATION TO UNDERTAKE THESE COMPLIANCE MEASURES AND OBLIGATIONS ON BEHALF OF THE PROJECT, OR TO ADVISE PROJECT WITH RESPECT TO THE SAME.
8. Project is responsible for notifying Sponsor of any benefits provided by Project to Funders in exchange for any contribution, and for estimating the fair market value of such. The Project is responsible for providing this information to Sponsor so that Sponsor may issue appropriate and accurate tax receipts to Funders on a contemporaneous basis.
9. Project shall submit a full and complete narrative and financial report to Sponsor by the end of Project’s annual fiscal year. The report shall account for all Project Funds that have been received by Project.
10. Project shall submit to Sponsor a final narrative and financial report describing Project activities and outcomes within 30 days of the conclusion of all Project-related activities. Unless otherwise agreed to, Project will be responsible for submitting a final report to any funding body that requires a report as a condition to funding (e.g. Philadelphia Cultural Fund requires a final report within 60 days of the conclusion of activities).
11. **Entity Status**
    1. Sponsor warrants and represents that it is an organization exempt from federal income tax as an organization described under Section 501(c)(3) of the Code. Sponsor agrees to notify Project immediately in writing of any change in Sponsor’s legal or tax status.
    2. Project represents and warrants that its governing documents, IRS Form SS-4 (which it completed and filed in order to obtain an Employer Identification Number), and any other documentation deemed satisfactory by Sponsor to evidence Project's separate existence as a legal entity are accurate and complete. Copies these documents are attached hereto as Exhibit B. If Project is an individual, the undersigned individual shall personally assume full legal, fiscal, and oversight responsibilities for all obligations of Project under this Agreement, in particular, and the Sponsor-Project relationship, in general. Project shall alert Sponsor immediately in writing of any change in Project's legal or tax status, and of any change in Project's executive or key staff responsible for achieving the Project Fund’s purposes.
12. **Ownership Rights**

Any tangible or intangible property, including copyrights and all other intellectual property, obtained or created by Project as part of the Project shall remain the property of Project unless otherwise agreed to in writing by the parties.

1. **Indemnification and Insurance**
   1. Project hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Sponsor, its officers, directors, 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 Project, its officers, directors, principals or owners (as the case may be), employees, or agents, in applying for or accepting Project Funds, in expending or applying Project Funds, or in carrying out the activities and purposes of the Project. Notwithstanding any other provision of this Agreement, this Paragraph shall survive the termination of this Agreement.
   2. Project hereby covenants and agrees that it shall maintain in full force and effect Directors and Officers and general business liability insurance coverage in reasonable amounts from established and reputable insurers and that Sponsor shall be named in such policies as an insured in such a manner as to provide Sponsor the same rights and benefits as are accorded to the most favorably insured of Project and its Directors and Officers. A copy of Project’s insurance certificate is attached hereto as Exhibit C. Notwithstanding, Sponsor may obtain additional coverage as its Board deems appropriate.
2. **Third-Party Claims**

Because they are held for the purposes for which they were given, the parties intend that the Project Funds are not subject to the claims of any creditor, and are also not subject to any legal process resulting from any of Sponsor’s activities unrelated to Project purposes.

1. **Termination** **of Agreement**
2. This Agreement may be terminated by either party (a) with cause immediately upon providing written notice of such termination and the cause to the other party, or (b) without cause forty (40) business days after providing written notice of such termination to the other party. The parties may mutually agree in writing to a different effective date of termination.
3. In the event this Agreement is terminated and the balance of the Project Funds is greater than zero, Sponsor may, within its sole discretion, distribute some or all remaining amounts to Project within fifteen (15) business days of receiving a final distribution request (the "Final Request") for any legitimate anticipated or un-reimbursed Project-related expenses. Project shall submit the Final Request no later than forty (40) calendar days after the effective date of termination. Sponsor shall process the Final Request in accordance with the policies and procedures for fund disbursements as described in this Agreement or in any Program Manual issued by the Sponsor and in effect at the time the notice of termination is sent. Sponsor, in its sole discretion and control, may also distribute, or spend, the Project Funds in any manner consistent with applicable tax and charitable trust laws, which may include granting any balance to another fiscal sponsor, re-allocating any balance to another fund for substantially similar purposes, or using any balance to defray Sponsor's costs of administering its fiscal sponsorship program. Notwithstanding any provision of this Agreement to the contrary, this Paragraph shall survive the termination of this Agreement for so long as Sponsor is processing the Final Request.
4. **Choice of Law**

This Agreement shall be governed by, and construed under, the laws of the Commonwealth of Pennsylvania applicable to contracts entered into and to be performed within the Commonwealth. Venue for all purposes shall be in Philadelphia County, Pennsylvania, and each party hereby consents to the personal jurisdiction of any court in such county.

1. **Miscellaneous**
   1. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way, and the invalid provision shall be replaced by an enforceable provision most nearly approximating the intent of the parties.
   2. This Agreement may not be assigned by either party without the express written agreement of the other party. Any permitted assignment will inure to the benefit of and will be binding upon the respective successors and assigns of the parties.
   3. For purposes of this Agreement, the term “in writing” includes email and facsimile transmissions, as long as the messages are sent with delivery receipt confirmation.
   4. This Agreement shall supersede any prior oral or written understandings or communications between Sponsor and Project, 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. To the extent that the policies and procedures described in this Agreement conflict with the terms of any Program Manual issued by Sponsor, the terms of this Agreement shall govern.
   5. This Agreement has been duly authorized by the parties and constitutes the valid and binding obligation of the parties, enforceable against the parties in accordance with its terms, and the persons signing this Agreement have been duly authorized by the Boards of Directors (or other governing bodies) of the entities they represent to sign the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

[SPONSOR’S NAME]

BY:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[REPRESENTATIVE’S NAME]

[TITLE]

[PROJECT’S NAME]

BY:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[REPRESENTATIVE’S NAME]

[TITLE]

EXHIBIT A

[copies of Sponsor’s and Project’s Pennsylvania Charitable Solicitation Registration Certificates]

EXHIBIT B

[copies of governing documents, SS-4, etc. evidencing Project’s separate existence]

EXHIBIT C

[copies of Project’s insurance policy]