**Fiscal Sponsorship Agreement**

This Fiscal Sponsorship Agreement (this “**Agreement**”) is made by and between \_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_ (the “**Sponsored Party**”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Washington nonprofit corporation (the “**Sponsor**”) (each a “**Party**” and together the “**Parties**”). This Agreement is effective on the last date signed below (the “**Effective Date**”).

**Recitals**

1. The Sponsor is a nonprofit corporation, exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Sponsor is organized and operated exclusively for charitable purposes and its mission is [INSERT MISSION].
2. The Sponsored Party whether an unincorporated association of individuals or an incorporated entity, is undertaking the charitable projects more fully described at Exhibit A attached hereto. The Sponsor’s board of directors, or appropriate committee thereof, has reviewed the proposed projects at Exhibit A, and has identified those projects as furthering the Sponsor’s charitable purposes.
3. This Agreement provides the structure by which Sponsor may contract with the Sponsored Party to implement its operations, through fiscal sponsorship as a pre-approved grant relationship.
4. The Sponsor is willing to receive tax-deductible charitable contributions on behalf of the Sponsored Party and the Sponsored Party, with the administrative assistance of the Sponsor, desires to use these funds to implement the Sponsored Party’s activities and programs identified at Exhibit A.

**Agreement**

Now therefore, the Parties agree to the following terms and conditions:

1. Authorized Representatives. The person listed at Exhibit A is authorized to represent the Sponsored Party. The Sponsored Party may change its representatives by written notice to the Sponsor. The Executive Director [OR CEO OR President] of the Sponsor, or his or her designee, is authorized to represent the Sponsor. Any authorized representative of the Sponsored Party may request a payment or withdrawal of funds consistent with this Agreement and/or any approved budget for the Sponsored Party.
2. Receipt of Funds and Inventory. The Sponsor agrees to receive contributions and gifts, including but not limited to grant funding, individual, corporate, or foundation contributions, and food and other non-monetary contributions (such non-monetary contributions, the “**Inventory**”) to be used by the Sponsored Party. All funds and Inventory received for use by the Sponsored Party shall be deposited and held by the Sponsor until disbursed to the Sponsored Party under this Agreement. The Sponsor shall make best efforts to distribute funds and Inventory in a timely manner.
3. Reporting Charitable Donations. The Sponsor agrees that all contributions it receives for the Sponsored Party will be reported as contributions to the Sponsor as required by law. The Sponsor agrees to notify the Sponsored Party of any change in its tax-exempt status.
4. Protection of Tax-Exempt Status. The Sponsored Party agrees not to use funds or Inventory in any way inconsistent with the description of its operations attached hereto as Exhibit A, which has been reviewed and approved by the Sponsor. The Sponsor may suspend its obligations to make funds or Inventory available for the Sponsored Party’s activities which, in the Sponsor's sole opinion, might jeopardize the Sponsor's tax status. For example, attemping to influence legislation (lobbying) or supporting a candidate for, or in opposition to, public office are prohibited activities. Upon written request by the Sponsor, the Sponsored Party shall promptly cease - or secure alternative funding for - such activities. Failure to do so shall constitute grounds for termination of this Agreement under Section 14 (Immediate Termination) below. Any changes in the purpose for which contributions are used must be approved in writing by the Sponsor before implementation. If the Sponsored Party breaches this Agreement or jeopardizes the Sponsor's legal or tax status, the Sponsor retains the right, at its sole discretion, to (a) withhold funds or Inventory until a fix is made; (b) immediately return such funds or Inventory to donors; or (c) redirect funds or Inventory to an organization or program undertaking a similar charitable activity.
5. Use of Funds. The Sponsored Party agrees to use any and all funds and Inventory received from the Sponsor solely for legitimate expenses of the Sponsored Party and to account fully to the Sponsor for the disbursement of funds and Inventory, as requested. The Sponsor will allocate funds for the Sponsored Party’s direct expenses out of contributions received on behalf of the Sponsored Party.
6. Financial Accounting and Reporting. The Sponsored Party and the Sponsor will each maintain books and financial records. Additional responsibilities are below.
   1. Sponsor Responsibility. The Sponsored Party’s revenue and expenses shall be separately recorded in the books of the Sponsor. The Sponsor will provide the Sponsored Party with reports reflecting revenue and expenses at reasonable intervals and at least once per year. The Sponsored Party, through its authorized representatives, may inspect any Sponsor records at any reasonable time with the consent of the Sponsor, which consent will not be unreasonably withheld.
   2. Sponsored Party’s Responsibility. At least once per calendar quarter, the Sponsored Party shall make and provide written reports to the Sponsor showing actual expenditures of funds and use of any Inventory. At a minimum, such reports from the Sponsored Party will provide the Sponsor copies of checks deposited, receipts of deposits, and expense receipts of any fundraising activities. At any time, the Sponsor, through its authorized representatives, may inspect any records of the Project held by the Sponsored Party, and may require the Sponsored Party to turn over any such records.
7. Sponsor Supervision, External Communications, Control, and Governance. The Sponsored Party will provide the Sponsor with a reasonable opportunity to review its fundraising messages, grant applications, recommendations regarding grant awards, and other documentation reasonably required by the Sponsor to enable it to fulfill its obligations as a fiscal sponsor. The Sponsored Party shall report on all matters referenced in this Section 7 in the quarterly reporting to the Sponsor.
8. Fundraising. The Sponsored Party may solicit contributions for the specific activities of the Sponsored Party. Fundraising communications shall: (a) identify the Sponsor and the fiscal sponsorship relationship created hereby; (b) make clear that donors should direct their contributions to the Sponsor, as further described below in Section 11 (Characterization by the IRS), and (c) explicitly state that all donor funds are in the sole and exclusive control of the Sponsor who may or may not, in its discretion and by the terms of this Agreement, transfer such funds to the Sponsored Party. The Sponsor shall be responsible for the processing and acknowledgment of all monies received for the Sponsored Party’s activities, including sending all required acknowledgements to donors of tax-deductible contributions or grants which shall be reported as the income of the Sponsor for both tax purposes and for purposes of the Sponsor’s financial statements.
9. Grants. The Sponsored Party may also solicit institutional grants through the Sponsor that are meant to support the Sponsored Party’s activities. The Sponsored Party's sources of funding for grants and the text of the Sponsored Party's grant applications are subject to approval by the Sponsor. The Sponsor's Executive Director [OR CEO OR President] must co-sign all such grant applications or proposals. All grant agreements, pledges, or other commitments with funding sources to support the Sponsored Party shall be executed by the Sponsor. The Sponsor must be copied, via its Executive Director [OR CEO OR President], at least one week in advance on all report submissions. Advance approval by the Sponsor is required for any application for government or public agency grants. As with other fundraising communications, all grant applications shall: (a) identify the Sponsor and the fiscal sponsorship relationship created hereby; (b) make clear that donors should direct their contributions to the Sponsor, as further described below in Section 11 (Characterization by the IRS), and (c) explicitly state that all donor funds are in the sole and exclusive control of the Sponsor who may or may not, in its discretion and by the terms of this Agreement, transfer such funds to the Sponsored Party. As with other fundraising, the Sponsor shall be responsible for the processing and acknowledgment of all grant monies received for the Sponsored Party, which shall be reported as the income of the Sponsor for both tax purposes and for purposes of the Sponsor’s financial statements.
10. Remuneration to the Sponsor. [TO BE DISCUSSED AND NEGOTIATED] In addition to serving as fiscal sponsor for the Project, the Sponsor will provide administrative support to the Sponsored Party. The Sponsored Party agrees that, in exchange for the administrative cost of financial accounting, human resources, organizational development, and other support provided by the Sponsor, the Sponsored Party shall pay to the Sponsor a fee equal to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The Parties agree that this administrative cost item is a reasonable approximation of the Sponsor's costs incurred in performing its fiscal sponsor services.
11. Characterization by the IRS.The Parties acknowledge that the Sponsor is not a mere conduit through which otherwise non-deductible donations are made to the Sponsored Party. If a check is made to the Sponsor with a requirement that it be disbursed for the Project, the IRS deems that a donation has been made to a nonexempt and no deduction is allowed. Therefore, checks must be made payable to “[NAME OF SPONSOR]” as a donation to be used for its own tax-exempt purposes. If the Sponsor’s name is not written on the check, checks cannot be accepted. To avoid any “pass through” characterization, the Sponsor shall have discretion to refuse the disbursement of funds if the Sponsored Party engages in any prohibited activities or uses the funds for purposes other than the Project. If the Sponsored Party does not meet the criteria outlined in this Agreement, the Sponsor will withdraw or refuse to disburse funds.
12. Communications and Brand Identity.The Sponsored Party will maintain its own brand identity. The Sponsored Party shall not create new logos, signs, or other marks, or grant others the right to use such logos, signs, or other marks on behalf of the Sponsor, without the approval of the Sponsor.
13. Term of Agreement and Renewal.This Agreement will begin on the Effective Date and remain in force until the first anniversary thereof, unless earlier terminated. Each Party may terminate this Agreement upon 30 days' written notice. Unless earlier terminated, this Agreement shall automatically renew upon the end date and annually thereafter.
14. Immediate Termination. Notwithstanding the foregoing, if the Sponsor reasonably determines that its continued fiscal sponsorship of the Project may jeopardize the Sponsor's tax-exempt status, the Sponsor may terminate this Agreement immediately upon notice to the Sponsored Party.
15. Successor Sponsor. If the Sponsored Party (or its project) will continue to exist but the Sponsor terminates this Agreement, the Sponsored Party may identify another nonprofit corporation that is tax-exempt under IRC Section 501(c)(3), is not classified as a private foundation under Section 509(a) and is willing and able to sponsor the Sponsored Party (the “**Successor**”). If a Successor is found, the balance of assets held by the Sponsor for the Sponsored Party together with any other assets held or liabilities incurred by the Sponsor in connection with the Sponsored Party, shall be transferred to the Successor as soon as administratively practicable, subject to the approval of any third parties (including funding sources) that may be required. If a new organization is formed that is qualified to be a Successor as set forth in this Section 15, 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 Successor is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code. If no Successor is found, the Sponsor may allocate the funds or Inventory held for the Sponsored Party consistent with applicable tax and charitable trust laws and other obligations.
16. Employment. [EMPLOYMENT AND VOLUNTEERS SHOULD BE DISCUSSED AND NEGOTIATED] Unless otherwise agreed to in writing, any people working on the Project, whether volunteers, employees (W2), or independent contractors (1099) (collectively such people are referred to as the “**Personnel**”), will be considered the appropriate Personnel of the Sponsor.
17. Assignment. This Agreement, or any rights or obligations under this Agreement, may not be assigned without the other Party’s written consent..
18. Severability. 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.
19. Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Washington without giving effect to any choice or conflict of law provision.
20. Counterparts and Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement. In addition, any counterparts may be electronically executed and delivered (e.g. DocuSign).

By signing below, both Parties execute this Agreement as of the Effective Date.

**[Sponsored Party Name] [Sponsor]**

By: By:

Title: Title:

Date: Date:

Address: Address:

**Exhibit A**

**Description of Activities and Authorized Representatives**

|  |  |
| --- | --- |
| **Sponsor Authorized Representative** | **Name:**  **Title:**  **E-mail:**  **Telephone:** |

**Description of Programs and Activities:**