

**\*SAMPLE\***  
**["DIRECT PROJECT"] FISCAL SPONSORSHIP AGREEMENT**

This Fiscal Sponsorship Agreement (this "Agreement") is entered into by and between \_\_\_\_\_ ("Sponsor"), and the undersigned members of the \_\_\_\_\_ **[Project Name]** Advisory Committee (the "Committee"). This Agreement shall be effective as set out below at Section 1.

**RECITALS**

**A.** Sponsor 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). Sponsor's purposes include \_\_\_\_\_;

**B.** The Committee, comprised of the **[persons and/or entities]** listed on the attached Exhibit A, was established to manage the affairs of the project described in the proposal attached hereto as Exhibit B known as \_\_\_\_\_ **[Project Name]** (the "Project");

**C.** The Committee has agreed to participate with Sponsor under a fiscal sponsorship arrangement in accordance with the terms and conditions of this Agreement;

**D.** Sponsor's board of directors has determined that the Project furthers Sponsor's charitable goals and tax-exempt purposes. Sponsor's board of directors has authorized Sponsor to enter into a fiscal sponsorship agreement with the Committee whereby Sponsor will receive gifts, grants, contributions and other revenues (collectively, "donations") on its own behalf and disburse such funds in furtherance of the Project's mission, in accordance with the terms and conditions of this Agreement.

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

**1. Effective Date.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_ (the "Effective Date").

**2. \_\_\_\_\_ [Project Name] Advisory Committee.**

**a. Composition.** The Committee shall be comprised of no fewer than \_\_\_\_\_ ( ) and no more than \_\_\_\_\_ ( ) individuals. In addition, the Committee shall at all times include a designated representative of Sponsor. The members of the Committee shall be as set forth on the attached Exhibit A.

**b. Role and Responsibilities.** The Committee shall develop the annual goals, objectives, and activities of the Project, subject to the approval of Sponsor's board of directors. The Committee shall have the right to make recommendations to Sponsor concerning the direction of the Project and the use of the Project Funds (as defined below). The Committee shall assist Sponsor with securing funding for the Project. The Committee, and the Project, at all times shall be subject to the ultimate direction and control of Sponsor's board of directors, other

than for purposes of any decision by the Committee to terminate this Agreement pursuant to Section 7 below.

### **3. Fiscal Sponsorship.**

**a. Project Activities.** As of the Effective Date, Sponsor shall assume operation and control of the Project, which shall continue in effect unless and until terminated in accordance with Section 7 below. All aspects of the Project, including processing and acknowledgment of cash and noncash donations, management of accounts payable, disbursement of Project funds (including grants), implementation of fundraising events, and any other activities planned by the Committee shall be the ultimate responsibility of Sponsor. The Project shall be conducted in the name of Sponsor, or in the name of \_\_\_\_\_ **[Project Name]** and specifically identified as a project of Sponsor, beginning on the Effective Date. Authority to manage the Project's charitable activities is delegated by Sponsor to the Committee, subject at all times to the ultimate discretion and control of Sponsor's board of directors.

**b. Employment Matters.** Sponsor shall determine in its sole discretion whether personnel to be compensated for working in whole or in part on Project matters shall be designated as employees of Sponsor (or one of its affiliates) or as independent contractors.

**c. Ownership of Intellectual Property.** Unless otherwise agreed, any tangible or intangible property, including copyrights, obtained or created in connection with the Project shall be the property of Sponsor while this Agreement is in effect.

**d. Receipt and Disbursement of Funds; Variance Power.** In connection with its sponsorship of the Project, Sponsor agrees to receive donations that are designated as made in support of the Project ("Project Funds"). Sponsor anticipates disbursing Project Funds in furtherance of the Project (less any administrative charge set out below). The Committee assumes the risk that any funding source may exercise its discretion not to grant or not to appropriate funds to Sponsor for the support of the Project. The parties intend that this Agreement be interpreted to provide Sponsor with variance powers necessary to enable Sponsor to treat the Project Funds as Sponsor's assets while this Agreement is in effect. Sponsor, in its sole discretion, shall have the right to withdraw financial support of the Project if, in Sponsor's reasonable judgment, the Committee materially breaches this Agreement or cannot accomplish the purposes of the Project. Sponsor retains the right, in its sole discretion, to spend Project Funds so as to accomplish the purposes of the Project as nearly as possible, or to redirect the Project Funds to a different charitable purpose if the purpose of the Project becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by Sponsor.

**e. Substantiation of Charitable Donations.** Sponsor agrees that all Project Funds will be reported for federal tax purposes as contributions to Sponsor and further agrees to acknowledge receipt of such Project Funds in writing to donors, as required under federal tax law, and to furnish evidence of Sponsor's status as an organization qualified under Section 501(c)(3) of the Code to donors on request.

f. **[Optional] Administrative Charge.** Sponsor will retain an administrative charge to cover the costs associated with its management of the Project Funds and other administrative expenses associated with this Agreement. This administrative charge shall be: \_\_\_\_\_ percent (\_\_\_%) of the gross amount of the Project Funds received by Sponsor annually. **[Optional: Provided, however,** that the administrative charge retained by Sponsor shall be no less than \_\_\_\_\_ dollars (\$\_\_\_\_.00) per calendar quarter.]

**4. Restrictions on Use of Project Funds.**

a. **Tax-Exempt Purposes.** All Project Funds received by Sponsor under the terms of this Agreement shall be used solely for purposes of the Project, subject to Sponsor's variance power set forth above at Section 3d, and shall not be used in any way that will jeopardize the tax-exempt status of Sponsor. The Committee agrees to comply with any written request by Sponsor to cease activities that, in Sponsor's reasonable judgment, might jeopardize the tax-exempt status of Sponsor.

b. **Prohibited Activities.** No portion of the Project Funds shall be used in any attempt to influence legislation, **[except for lobbying expenditures approved in advance by Sponsor as set forth on the attached Exhibit B.]** No portion of the Project 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 inurement or improper private benefit to occur, support terrorist activities, terrorist organizations or individuals who engage in or support terrorist activities, or take any other action inconsistent with qualification under Section 501(c)(3) of the Code.

**5. Fundraising.** The Committee shall notify Sponsor (a) of all jurisdictions in which it would like Sponsor to solicit charitable contributions from the public in support of the Project; and (b) if it would like Sponsor to engage a commercial fundraiser to solicit charitable contributions from the public in support of the Project. Sponsor shall ensure compliance with all registration requirements, including registration fees and other expenses. All solicitations for the Project shall be made in Sponsor's name. All solicitation materials that use the name of Sponsor or its affiliates, including both written solicitation materials and scripts for oral solicitation communications, shall be subject to Sponsor's advance approval. The Committee shall comply with all laws and regulations concerning the solicitation of charitable contributions. All original letters of inquiry and grant proposals that use the name of Sponsor or any of its affiliates shall be subject to Sponsor's advance approval in its sole discretion and shall be signed by an authorized representative of Sponsor. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be subject to Sponsor's advance approval in its sole discretion and shall be executed by Sponsor.

**6. Publicity.** Any and all use of Sponsor's name in media communications and fundraising materials with respect to the Project shall be subject to Sponsor's prior review and approval. The Committee shall provide Sponsor with reasonable advance notice with respect to any proposed use of Sponsor's name in order to allow for such prior review.

**7. Termination.** Either party may terminate this Agreement without cause by giving sixty (60) days' written notice to the other party. Solely for purposes of making a

determination to terminate this Agreement pursuant to this Section 7, the Committee shall not be subject to the ultimate direction and control of Sponsor's board of directors.

**8. Disposition of Project Funds in Termination.** If there are any Project Funds remaining after this Agreement has terminated, the Committee may recommend that all Project Funds be retained by Sponsor and used specifically to support the activities of the Project, or distributed to another organization that is then qualified under Code Section 501(c)(3) and that is organized and operated for charitable purposes similar to those of the Project. Any such recommendation by the Committee is subject to final approval by Sponsor's board of directors, and Sponsor may allocate the Project Funds in any manner consistent with applicable tax and charitable trust laws.

**9. Miscellaneous Provisions.**

**a. Amendments.** This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

**b. Dispute Resolution.** In the event of a dispute under this Agreement, each party agrees that it 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.

**c. Choice of Forum.** The parties agree that the Superior Court of King County, Washington is the mandatory, exclusive venue for actions relating to this Agreement. The parties agree that King County is a convenient forum, and that all court proceedings shall be filed in King County and in no other forum.

**d. Consent to Jurisdiction.** For all purposes related to this Agreement, the parties hereby consent to personal jurisdiction in the state courts in and for the state of Washington.

**e. Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof; it supersedes any prior agreement and understandings among the parties as to such matters, oral or written, all of which are hereby cancelled.

**f. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the state of Washington.

**g. 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.

**h. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**i. Attorneys' Fees.** 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.

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SAMPLE

**SIGNATURE PAGE TO  
FISCAL SPONSORSHIP AGREEMENT**

**Between**

\_\_\_\_\_

**And**

\_\_\_\_\_ **Advisory Committee**

IN WITNESS WHEREOF, the parties executed this Agreement effective as of the day and year set out in Section 1 of this Agreement.

**Sponsor:**

\_\_\_\_\_,  
a [Washington nonprofit corporation]

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

\_\_\_\_\_ [Print name]

Its: \_\_\_\_\_ [Title]

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

**Committee:**

\_\_\_\_\_ Advisory Committee

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

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

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

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

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

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

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

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

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

\_\_\_\_\_

**EXHIBIT A**

\_\_\_\_\_ **ADVISORY COMMITTEE MEMBERS**

**[Please include names and addresses, including Sponsor Designated Representative]**

**EXHIBIT B**

**APPROVED PROJECT PROPOSAL**

**[If the Project includes lobbying activities, this proposal must include a budget, specifying the total amount of the lobbying budget and the amount, if any, that will be used for grassroots lobbying.]**