



**THE
COLORADO
TRUST**

A Health Equity Foundation

Sample Fiscal Sponsor Agreement

This Agreement is made between _____ (herein "Fiscal Sponsor") and _____ (herein "Sponsored Entity").

The time period covered by this agreement is from _____ (*start date*) to _____ (*end date*), and the agreement will terminate on the date last specified, unless it is either renewed as specified in Paragraph 12.

Purpose of the Agreement

The Sponsored Entity has proposed that the Fiscal Sponsor sponsor a project (the "Project") to: *(Describe the Project including the charitable purpose).*

The Fiscal Sponsor has determined that sponsorship of the Project would be consistent with its goals, mission, and wishes to make arrangements with the Sponsored Entity for the implementation and operation of the Project.

Terms of the Agreement

1. The Fiscal Sponsor will be using the following model for their role in the sponsorship of the Project with the Sponsored Entity. Information on the fiscal sponsorship model types that TCT funds ^(see) [found here](#).
___ Model A: Direct Fiscal Sponsorship, Comprehensive Fiscal Sponsorship
___ Model B: Independent Fiscal Partnership
___ Model C: Preapproved Grant Relationship Fiscal Sponsorship
___ Model L: Limited Liability Company Fiscal Sponsorship
2. The Fiscal Sponsor hereby agrees to sponsor the Project and to assume administrative, programmatic, financial, and legal responsibility for purposes of the requirements of funding organizations. The Sponsored Entity agrees to implement and operate the Project, in accordance with the terms of this agreement and with the requirements of the funding organization(s).
3. The Project shall be operated in a manner consistent with the Fiscal Sponsor's tax-exempt status and as described in this agreement. No material changes in the purposes or activities of the Project shall be made without prior written permission of the Fiscal Sponsor and in accordance with any requirements imposed by funding organizations, nor shall the Sponsored Entity carry on activities or use funds in any way that jeopardizes the Fiscal Sponsor's tax-exempt status.
4. The Sponsored Entity shall not, and shall not permit the Project to, attempt to influence legislation or participate or intervene in any political campaign on behalf (or in opposition to) any candidate for public office or otherwise engage in the carrying on of propaganda (within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986).

5. The Sponsored Entity will provide the Fiscal Sponsor with reports describing programs and services of the Project in accordance with the following schedule:

[add detail here on the nature of the reports and due dates]

6. The Sponsored Entity will provide all information and prepare all reports, including interim and final reports, required by funding organizations, with the Fiscal Sponsor's assistance and final approval.
7. On behalf of the Sponsored Entity, the Fiscal Sponsor will establish and operate for the use of the Project a designated account ("Account") segregated on the Fiscal Sponsor's books. All amounts deposited into a Project's Account will be used in its support, less administrative charges, if any, and subject to the conditions set forth below. Disbursements will be restricted to the support and implementation of the Project only.

The Fiscal Sponsor will disburse funds from the Account in the following manner:

[Add detail here on the method of disbursement. For example, as instructed in writing on properly filled-out Fiscal Sponsor vouchers accompanied by required documentation and only as authorized by this agreement.]

8. The Sponsored Entity designates _____ (Staff Name and Title) to act as authorizing official. The authorizing official shall act as principal coordinator of the Project's daily business with the Fiscal Sponsor, and shall have authority to sign disbursement requests.

[If additional authorities are needed, insert them here. At no time should a person approve their own disbursement]

9. The Fiscal Sponsor and Sponsored Entity will maintain all financial records relating to the Project according to generally accepted accounting principles, retain records as long as required by law, and make records available to auditors as required by law.
10. The Fiscal Sponsor and the Sponsored Entity will reflect the activities of the Project, to the extent required, on their state and federal government tax returns and financial reports. All disbursements from an Account shall be treated as payments made to or on behalf of the Sponsored Entity to accomplish the purposes of the Project. The Sponsored Entity will provide the Fiscal Sponsor with proper documentation to accomplish this, including furnishing the Fiscal Sponsor with the Sponsored Entity's Federal Employer Identification Number.
11. In consideration of the Fiscal Sponsor's agreement to sponsor the Project, and to cover the Fiscal Sponsor's expenses in connection with the Project as outlined above, the Project will pay the following fees, charges, and expenses:

[Describe details on the fees/charges that will be used. This should include the amount and how this rate was determined (percentage, flat fee, sliding scale, etc.) and agreed upon between both parties.]

12. This agreement will be subject to review _____ [set forth time period, for example, annually, semi-annually], and will terminate if any of the following events occur:

- a. *The Fiscal Sponsor requests the Sponsored Entity to cease activities that it deems*

might jeopardize its tax-exempt status and the Project fails to comply within a period of ten (10) days;

b. The Sponsored Entity fails to perform or observe any other covenant of this agreement, and this failure remains unremedied fifteen (15) days after notice in writing;

c. 30 days written notice by Sponsored Entity or the Fiscal Sponsor of its intent to terminate the agreement.

[add detail here on what would else may constitute grounds for immediate termination]

13. If amendments are needed to the original Agreement, such amendments or a new Agreement shall be drafted and executed by both the Fiscal Sponsor and the Sponsored Entity.

14. If the Project will continue to exist, but the Fiscal Sponsor terminates the sponsorship of the Project, the Sponsored Entity 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 that is willing and able to sponsor the Project (herein "Successor"). If a Successor is found, the balance of assets held by the Fiscal Sponsor for the Sponsored Entity, together with any other assets held or liabilities incurred by the Fiscal Sponsor in connection with the Sponsored Entity, 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 the Sponsored Entity has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization as received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code. If no Successor is found, the Fiscal Sponsor, in consultation and agreeance with the Sponsored Entity, may allocate the Sponsored Entity's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

In witness whereof, the parties hereto have executed this Agreement on the day and year of the final signatory below.

Accepted for the Fiscal Sponsor

Accepted for the Sponsored Entity

Authorized Signor

Authorized Signor

Date

Date