

Fiscal Sponsorship Agreement
between The Architectural League of New York
and

NAME OF ENTITY/PERSON RECEIVING REGRANTED FUNDS

1. Description of the Parties to this Agreement:

THE ARCHITECTURAL LEAGUE OF NEW YORK, SERVING AS FISCAL SPONSOR, is a 501(c)(3) organization with a mission to support critically transformative work in the allied fields that shape the built environment. The Architectural League of New York is referred to in this Agreement as “Fiscal Sponsor.” Fiscal Sponsor has established a fiscal sponsorship program where it accepts and regrants funds it receives to other entities capable of carrying out mission-aligned projects.

NAME OF ENTITY/PERSON RECEIVING REGRANTED FUNDS is a **SENTENCE OR TWO ON LEGAL STRUCTURE AND GENERAL PURPOSE OF ENTITY**. **NAME** is referred to in this Agreement as “Project Partner.”

Fiscal Sponsor and Project Partner are collectively referred to in this Agreement as “Parties.”

- 2. Purpose of this Agreement:** Project Partner has proposed carrying out certain activities described in its fiscal sponsorship proposal dated **DATE** (the “Project”) and wishes to work with Fiscal Sponsor to receive and administer funds in support of the Project. The purpose of the “Project” is **BRIEF DESCRIPTION OF PROJECT**, and is further described in Appendix A. After reviewing the Project, Fiscal Sponsor determined: (1) the Project is aligned with the Fiscal Sponsor’s mission; and (2) Project Partner is ready, willing, and able to carry out the purposes of the Project if given sufficient financial resources. Once signed by both Parties, the terms of this Agreement will govern the fiscal sponsorship relationship between the Parties regarding the Project.
- 3. Start and End Dates:** This Agreement starts on **DATE** (the “Start Date”) and, unless shortened or lengthened as allowed under this Agreement, will conclude on **June 30, 20XX**.
- 4. Relationship Management:**
- a. Project Partner. The person signing this Agreement **on behalf of/as** Project Partner is authorized to make all requests and approvals for Project Partner and will be the main point of contact with Fiscal Sponsor. This person may assign this responsibility to another Project stakeholder by informing Fiscal Sponsor.
 - b. Fiscal Sponsor. Fiscal Sponsor will specify and inform Project Partner of one or more primary points of contact (“Fiscal Sponsor Contact”) who will be responsible for most communications with Project Partner including communicating decisions and approvals made by Fiscal Sponsor related to this Agreement. If Fiscal Sponsor determines a different staff member can better support the Project Partner or if the Fiscal Sponsor Contact becomes unavailable to serve in this capacity, Fiscal Sponsor may temporarily or permanently specify a new Fiscal Sponsor Contact.
 - c. Communications. Healthy communication is critical to a successful fiscal sponsorship relationship. Project Partner and the Fiscal Sponsor Contact will communicate and cooperate by (a) keeping each other advised about anticipated needs and potential issues; (b) promptly responding to e-mail, phone messages, and other agreed-upon communication methods from the other; and (c) providing each other with information as may be appropriate in connection with the Project activities. Project Partner is encouraged to direct any questions about this Agreement or the fiscal sponsorship relationship to their Fiscal Sponsor Contact.
- 5. Seeking Funds:** Project Partner may solicit gifts and contributions and prepare grant applications for submission by Fiscal Sponsor seeking charitable contributions to initially be received by the Fiscal Sponsor for the purposes of the Project. Project Partner’s choice of funding sources to be approached, online fundraising vendors used (if any), and the text of Project Partner’s fundraising materials, including grant applications, are subject to Fiscal Sponsor’s prior review and approval. Grant applications will be directly submitted by Fiscal Sponsor and not the Project Partner. With reasonable advance notice as determined in collaboration with Project Partner, which will be a minimum of 10 business days, Fiscal

Sponsor will make itself available to review proposals, answer questions prospective funder(s) may have regarding the fiscal sponsorship relationship, and provide funders with routinely requested documents such as Fiscal Sponsor's IRS 501(c)3 determination letter, Form 990s from recent years, and a copy of this agreement.

6. **Accepting Funds:** Project Partner will instruct all third parties making grants or donations to support the Project ("Donors") to make contributions via check or Electronic Funds Transfer payable to "PROJECT NAME of The Architectural League of New York" (FEIN: 13-1671027). All official correspondences from Donor(s) should be addressed to: THE ARCHITECTURAL LEAGUE OF NEW YORK, 594 BROADWAY, SUITE 607 NEW YORK, NY 10012. All payments should specify the project receiving support in the check or transfer memo. Fiscal Sponsor may also arrange for contributions to be made by credit card online or by phone, at its discretion based on the needs of the Project. Other non-cash contributions to the Project, e.g. financial securities, must be individually approved in advance by Fiscal Sponsor. All funds contributed by Donors to support the Project must be received by the Fiscal Sponsor and must not go directly to the Project Partner. Fiscal Sponsor will enter into all necessary agreements with Donors, e.g. grant agreements. Project Partner is not authorized to make any binding commitments, either express or implied, to funding sources on behalf of Fiscal Sponsor.
7. **Disbursing Funds:** Fiscal Sponsor will notify Project Partner of any pledge letters, grant agreements, or charitable funds received within ten (10) business days of receipt. The timing of disbursements from the Fiscal Sponsor to the Project, less any administrative charges described in this Agreement, will be determined by mutual agreement. Project Partner acknowledges and accepts that Fiscal Sponsor issues payments on a schedule (typically once weekly), based on staff schedules and adherence to Fiscal Sponsor's financial procedures and best practices. Fiscal Sponsor does not guarantee that a payment will be issued immediately upon request by Project Partner. Project Partner is responsible for ensuring that the amount of expenditures committed by the Project never exceeds the amount of funds available to the Project at any given time. Fiscal Sponsor retains the right to refuse any expenditure for the Project that will result in a negative balance of the Project Fund, regardless of commitments made by Project Partner.
8. **Use of Funds:**
 - a. By Project Partner. Project Partner will spend all funds received from the Project Fund solely on the Project and according to the Project budget approved by Fiscal Sponsor. Project Partner will repay Fiscal Sponsor any funds Project Partner receives from Fiscal Sponsor but does not spend on approved purposes related to the Project. Any changes in the purposes for which funds are spent by Project Partner must be approved by Fiscal Sponsor (in writing or by email) before implementation.
 - b. By Fiscal Sponsor. Fiscal Sponsor, may, either at the request of Project Partner or in its sole discretion, use Project Funds to pay third parties Project Partner has engaged with to carry out activities in furtherance of the Project's purposes. It is agreed that, in making such payments, Fiscal Sponsor does not assume any obligations or liabilities. Prior to any such transfer, Fiscal Sponsor may require Project Partner and/or the third party to provide certain documentation evidencing a payment obligation, legal existence of the third party, and completed work (including, but not limited to, an invoice, IRS W-9 or alternative tax form, and/or other documentation). Project Partner or Fiscal Sponsor will communicate to the third party limitations on Fiscal Sponsor's liability in acting as payer. Project Partner is responsible for approving such payments and ensuring payments are accurate, in alignment with underlying contracts and that no double payments result from Fiscal Sponsor issuing payments on behalf of Project Partner.
9. **Control of Funds:** The intent of the Parties is that Project Partner will choose how funds are specifically spent to support the Project. However, Project Partner understands that in order for Fiscal Sponsor to ensure funds are used for appropriate mission-aligned purposes in support of the Project, and to protect Fiscal Sponsor from regulatory or civil actions, Fiscal Sponsor retains full legal ownership of, and discretion and control over, funds contributed to Fiscal Sponsor for the purposes of the Project. It is the intent of the Parties that this Agreement be interpreted to provide Fiscal Sponsor with variance powers necessary to enable Fiscal Sponsor to treat the Project Fund as Fiscal Sponsor's asset in accordance with the

Accounting Standards Codification (ASC) paragraphs ASC 958-605-25-25 and -26, formerly expressed in Statement No. 136 issued by the Financial Accounting Standards Board (FASB).

10. **Visibility Into Project Fund:** Fiscal Sponsor will provide Project Partner with timely visibility into Project Fund balance and activity history.
11. **Limits on Claims:** Because the Project Fund is held for the purposes of the Project, the Parties intend that its assets are not subject to the claims of any creditor or to legal process resulting from activities of Fiscal Sponsor unrelated to such purposes.
12. **Donor Benefits Notice:** Project Partner is responsible for notifying Fiscal Sponsor of any benefits provided by Project Partner to Donors in exchange for any contribution, and for estimating the fair market value of such. For example, if Project Partner holds a fundraising event to support its sponsored activities and sells tickets for \$50, but ticket buyers receive \$20 worth of entertainment and refreshments at the event, then Project Partner must provide this information to Fiscal Sponsor so that Fiscal Sponsor may issue appropriate and accurate tax receipts to said Donors.
13. **Tax Deductibility:** All Donors are responsible for consulting with their own professional advisers to address questions on deductibility or donative intent. Fiscal Sponsor assumes no responsibility for ensuring contributions to Fiscal Sponsor for the purposes of the Project are tax-deductible to any particular Donor. Fiscal Sponsor does provide donor acknowledgement letters for any donations received above \$250 from a Donor but does not provide individual tax advice.
14. **In-Kind Contributions:** Prior to accepting any non-monetary donations from a Donor such as equipment or inventory, Project Partner will consult with its Fiscal Sponsor Contact to determine the appropriateness and process for accepting the gift. Any such in-kind gift to support the Project may only be used to advance the purposes of the Project.
15. **Earned Revenue by Project Partner:** As noted, Fiscal Sponsor will accept grants and donations to support the Project. However, Fiscal Sponsor will not accept revenue earned by Project Partner from Project Partner's commercial activities, nor will Fiscal Sponsor facilitate Project Partner's commercial activities under the terms of this agreement.
16. **Cost Allocations to Fiscal Sponsor:** In order to help pay Fiscal Sponsor's costs of administering the Project Fund and any additional supports provided under this Agreement, Fiscal Sponsor will deduct 8% of all gross amounts received for the Project. This administrative charge will be deducted each time a donation is received into the Project Fund. In addition and separately, Fiscal Sponsor will deduct credit card processing fees that are incurred by accepting a contribution to the Project via credit card. Credit card processing fees will be automatically deducted by Fiscal Sponsor's payment processor from the gross amounts received via credit card. Fiscal Sponsor may additionally, at its sole discretion, deduct from the Project Fund any special or unusual costs it incurs in administering the Project Fund (such as bank penalty fees resulting from a Donor's bounced check). Unless not permitted by a Donor agreement Fiscal Sponsor enters into in support of the Project, any interest earned on amounts held in the Project Fund shall be retained in Fiscal Sponsor's general fund.
17. **Property Rights:** Unless a Donor agreement into which the Fiscal Sponsor enters stipulates otherwise, any tangible or intangible property obtained or created by Project Partner in connection with the Project will become the property of Project Partner but must be used in a way that will continue to further the underlying charitable purposes of the Project, even once the Project is considered complete. However, if the Project Partner does not complete the Project, after a reasonable period of time following the conclusion of this Agreement, Fiscal Sponsor will have an unrestricted right to use all or part of said property created under this Agreement in any manner it deems appropriate to accomplish the purposes of the Project. Rights to ownership of intellectual property created as part of the Project shall remain with their creator(s) at all times.
18. **Confidentiality:** In working together on the Project, Fiscal Sponsor and Project Partner may share nonpublic information ("Confidential Information") with one another. All Confidential Information furnished

under this Agreement is and will remain the property of the furnishing party. The receiving Party of Confidential Information will use the same only for the purposes related to its disclosure or as required by law or regulation and will exercise reasonable care and precaution to protect the disclosing Party's Confidential Information to prevent unauthorized disclosure. Confidential Information does not include information generally available to the public, information already known by the receiving party before entering into this Agreement, or information independently developed.

19. Documenting Project Activity:

- a. General. Project Partner will provide narratives upon request describing the Project activities carried out along with backup financials showing how the Project Funds were spent. Project Partner will maintain its books and make all financial information related to the Project available to Fiscal Sponsor when requested. This obligation will survive termination of this Agreement for a period of 7 years.
- b. Donor-specific Reporting & Compliance. If a Donor requires certain restrictions, compliance, and reporting obligations ("Donor Obligations"), Fiscal Sponsor will notify Project Partner of these Donor Obligations prior to disbursing such funds to Project Partner. Project Partner agrees to comply with all Donor Obligations as a condition of receiving funds originating from said Donor. Fiscal Sponsor and Project Partner will work together to ensure compliance with all Donor Obligations. The Parties agree that any reports required to be submitted to a particular Donor will be prepared by Project Partner and then submitted to Fiscal Sponsor for review and approval prior to final submission to the Donor.

20. Lobbying Activities: Lobbying is generally defined as any activity that seeks to influence legislation. Project partners are prohibited from engaging in any lobbying activity of any sort as a function of their project.

21. Legal Compliance including Political Activity Prohibition: No Project funds can be used 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, nor to take any other action inconsistent with IRC Section 501(c)(3).

22. Media Inquiries: Fiscal Sponsor agrees to consult with the Project Partner prior to responding to any media inquiries related to the Project. Likewise, the Project Partner will not respond to any media inquiries related to the Project without first consulting with its Fiscal Sponsor Contact.

23. Indemnification: Each Party will defend, indemnify and hold harmless the other Party, including each of its respective officers, directors, employees, representatives, agents, successors and assigns from and against all claims of third parties, and all associated losses, to the extent arising out of the indemnifying Party's gross negligence or willful misconduct.

24. Insurance: This agreement should in no way be interpreted to mean that insurance policies obtained by the Fiscal Sponsor provide coverage to the Project Partner. Should the need arise and the Project Partner so desire, the Project Partner is responsible for procuring and maintaining its own insurance.

25. Dispute Resolution. In the event of a breach by one of the Parties or disagreement between the Parties concerning this Agreement, both Parties agree to use their best efforts to resolve the dispute between them, and failing that, with the use of an independent mediator prior to taking legal action.

26. Ending the Relationship:

- a. Termination Rights. Either Party may terminate this Agreement at any time by giving 90 days written notice to the other Party. In addition, either party may immediately terminate this Agreement upon a material breach by the other or if Fiscal Sponsor reasonably determines that Project Partner's conduct or the Project itself could adversely affect Fiscal Sponsor's tax status. Such notice must be made in writing.
- b. Successor. If the Project will continue to exist but one of the parties desires to terminate the Sponsor's fiscal sponsorship of the Project, the following terms and conditions shall apply.

- Another nonprofit corporation which is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) must be willing and able to sponsor the Project (the "Successor"). The Successor must be approved in writing by both parties by the end of the ninety-day written notice period. If the parties cannot agree on a Successor to sponsor the Project, the Project shall have an additional ninety (90) days to find a Successor willing and able to sponsor the Project. If a Successor is found, the balance of assets held by the Sponsor for the Project, together with any other assets held or liabilities incurred by the Sponsor in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If the Project 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 has 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 no later than the end of the notice period or any extension thereof.
- c. Fund Allocation after Termination. If no Successor is found, after termination Fiscal Sponsor may allocate any remaining balance in the Project Fund to carry out activities it deems similar in intent to the Project, subject to restrictions and/or permissions from donors and funders. Prior to making any such allocation, Fiscal Sponsor will seek advice from Project Partner regarding disposition of Project Funds.
 - d. Effect of Termination. Project Partner will be responsible for providing a final activity report along with reports, if any, detailing compliance with Donor Obligations. Additionally, Sections 8; 9; 17; 18; 19; and 23 will survive expiration or termination of this Agreement.

27. Miscellaneous:

- a. Independence of the Parties. The Parties are independent parties working together to advance the Project. This Agreement does not create any relationship of partnership, joint venture, or other agency between Fiscal Sponsor and Project Partner.
- b. Tax Status and Staff Changes. Either party will immediately notify the other of any change in their legal or tax status. Project Partner will immediately notify Fiscal Sponsor of any changes to Project Partner's executive staff or key staff responsible for carrying out the purposes of the Project.
- c. Assignment. Neither Party may assign its rights or delegate duties under this Agreement to anyone else without the prior written consent of the non-assigning Party.
- d. Entire Agreement; Amendments. This Agreement, together with Appendix A, expresses the final, complete, and exclusive agreement between Fiscal Sponsor and Project Partner as relates to the Project, and supersedes any and all prior or contemporaneous written and oral agreements or communications between Fiscal Sponsor and Project Partner relating to its subject matter. The terms of this Agreement may be changed at any time by mutual agreement of Fiscal Sponsor and Project Partner so long as the changes are in writing and signed by an authorized representative of each party.
- e. Governing Law. This Agreement shall be governed by, and construed under, the laws of New York City and New York State.
- f. Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision will be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement will remain in full force and effect.
- g. No Waiver. Neither Party to this Agreement will be deemed to have waived any rights under this Agreement unless it does so in writing.
- h. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument. Transmission by PDF of executed counterparts will constitute effective delivery.

Agreed:

Fiscal Sponsor: THE ARCHITECTURAL LEAGUE OF NEW YORK

Jacob R. Moore, Executive Director

Date

Project Partner

Name, Title

Date

Sample Agreement