

### **Ruth Mott Foundation Fiscal Sponsorship Agreement**

Charity / Fiscal Sponsor:

Name of Fiscal Sponsor Organization

Address of Fiscal Sponsor

City, State, Zip of Fiscal Sponsor

Phone of Fiscal Sponsor

- A. **Control:** The charity must have complete discretion and control over the project.
- B. **Mission Fit:** The non-exempt project must further the charity's exempt purposes. The fiscal sponsor selects projects for sponsorship that relate to its written mission statement and charitable purpose.
- C. **Compliance with Laws.** The fiscal sponsor is knowledgeable about and complies with all applicable federal, state, and local laws, routinely informing and educating leaders of sponsored programs about the practical intent and application of such laws. RMF grant funds may not be used for political campaigns or for lobbying, and the fiscal sponsor must ensure that no improper private benefit occurs.
- D. **Fiscal Integrity:**
  - 1. Financial Solvency and Resilience. The fiscal sponsor maintains sufficient financial resources to assure continuous, uninterrupted operation.
  - 2. Annual Financial Audit. The fiscal sponsor retains the services of an independent certified public accounting firm to conduct and present to the board of directors an annual financial audit consistent with GAAP and made available to the public.
  - 3. Assumption, Management, and Mitigation of Risk and Liability. The fiscal sponsor assumes financial and legal responsibility for the projects it sponsors, setting in place and maintaining adequate systems to assess risk and mitigate exposure to liability through insurance and other risk management methods.
  - 4. Uses of Project Funds and Assets. The fiscal sponsor, with the exception of the agreed-upon administrative overhead charges to sponsored projects, does not expend funds dedicated for project purposes for any other purpose, unless ordered by a court of law or government agency.
  - 5. Pass Through of Specific Costs. The fiscal sponsor discloses in advance of incurring them any charges, such as legal fees or insurance premiums, for which the project is liable.
  - 6. Systems for Handling Funds. The fiscal sponsor, for all funds in its care, establishes and maintains sound systems, policies, procedures and internal controls that are based on generally accepted financial and accounting principles and regulations including project expense sign-offs and approvals, written project agreements, and clear line item project budgets.
  - 7. Project Fund Accounting. The fiscal sponsor establishes and maintains the means to account for and report on each of its sponsored project's funds separately, providing stewardship for reporting purposes. The fiscal sponsor maintains the capability of reporting project financial activity at multiple levels of specificity, including down to the level of individual grants.

8. The grants shall be reported as income of the sponsor for both tax purposes and for purposes of the Sponsor's financial statements.
- E. **Administrative and Operational Integrity**
1. Compliance with Terms of Grants and Contracts. The fiscal sponsor ensures projects comply with financial, programmatic, and administrative requirements of grant agreements.
  2. Legal Signatory. The fiscal sponsor reviews, approves and signs all contracts, leases and other legally binding project commitments.
  3. Document Retention. The fiscal sponsor retains and protects financial and personnel records, required minutes of board meetings, and all other documents in accordance with all applicable laws.
  4. Whistleblower Protection. The fiscal sponsor is committed to effective nonprofit governance, transparency and accountability and voluntarily complies with the whistleblower provisions of the Sarbanes-Oxley Act of 2002 .
- F. **Board Governance**: The fiscal sponsor's board of directors approves all new projects, periodically reviews organizational risks and liabilities, and follows generally recognized policies and practices of good governance expected of nonprofit organizations.
- G. **Conduits and Pass Through Arrangements are Prohibited**: The donation to the fiscal sponsor cannot have conduit arrangements. (ie. When a donation is made from A to B, earmarked for C, is in reality a donation from A to C, and if C is not exempt under 501c3 the gift is not a tax deductible contribution.)
- H. **Written Mutual Understanding**. The fiscal sponsor and designated project leader(s) execute a written understanding detailing the terms and expectations of the relationship, including financial terms or administrative overhead charges established for providing the fiscal sponsorship services. The understanding provides the fiscal sponsor with full legal control of the project, its staff and its activities, and also obligates project leaders to adhere to the fiscal sponsor's organizational policies and operational procedures. All activities should be conducted in the name of the Sponsor.

We acknowledge that the appropriate personnel have read and understand this agreement, that its terms and conditions are acceptable to us and that we will comply with those terms and conditions. The two signers below are authorized by the organization to enter into this agreement.

Name of President/ CEO \_\_\_\_\_

Signature President / CEO \_\_\_\_\_

Date Signed \_\_\_\_\_

Name of Board Chairperson \_\_\_\_\_

Signature of Board Chairperson \_\_\_\_\_

Date Signed \_\_\_\_\_