

Project: _____



FISCAL SPONSOR AGREEMENT

Blue Hill Community Development (the “Fiscal Sponsor”) has determined that sponsorship of the Project described in the Project Proposal attached as Schedule A would be consistent with its goals, and wishes to make arrangements with the Sponsored Organization identified in Schedule B for the implementation and operation of the Project.

1. Obligations of the Fiscal Sponsor

- 1.1. Project Sponsorship. The Fiscal Sponsor hereby agrees to sponsor the Project and to assume certain administrative, programmatic, financial and legal responsibility for purposes of the requirements of funding organizations.
- 1.2. Project Funding. The Fiscal Sponsor shall execute all grant applications, agreements, pledges, or other commitments with funding sources that it deems necessary or desirable to support the Project. Funds received by the Fiscal Sponsor for the Project shall be granted to the Sponsored Organization, subject to the terms and conditions of this agreement.
- 1.3. Project Account. On behalf of the Sponsored Organization, the Fiscal Sponsor shall 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 shall be used in its support, less administrative charges, if any, and subject to the conditions set forth in this agreement.
- 1.4. Disbursements from the Account. The Fiscal Sponsor shall disburse funds from the Account as instructed in writing by an authorized representative of the Sponsored Organization, using the form provided in Schedule D and only as authorized by this agreement. Disbursements shall be restricted to the support and implementation of the Project only.

2. Obligations of the Sponsored Organization

- 2.1. Project Operation. The Sponsored Organization agrees to implement and operate the Project in accordance with the terms of this agreement and with any requirements imposed by funding organizations.
- 2.2. Project Scope and Execution. The Project shall be operated in a manner consistent with: (i) Schedule A, (ii) any representations made to funding organizations and (iii) the terms and conditions of 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 any such change shall be in accordance with any requirements imposed by funding organizations). The

- Sponsored Organization shall not carry on activities or use funds in any way that jeopardizes the Fiscal Sponsor's tax-exempt status.
- 2.3. Authorizing Official for the Project. The Sponsored Organization has designated the Authorizing Official named in Schedule B to act as principal coordinator of the Project's daily business with the Fiscal Sponsor, and shall have authority to sign disbursement requests. At no time may an individual approve his/her own disbursement.
 - 2.4. Periodic Reporting and Other Conditions of Sponsorship. The Sponsored Organization shall provide the Fiscal Sponsor with reports describing programs and services of the Project in accordance with the terms, schedule, forms and other specifications identified in Schedule C. At a minimum, such reports must describe the charitable activities conducted, the expenditures made with funds received, and confirmation of compliance with the terms of this agreement.
 - 2.5. Reports to Funding Organizations. The Sponsored Organization shall 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.
 - 2.6. Project Expenditures. The Authorizing Official shall request disbursements from the Fiscal Sponsor using the form provided in Schedule D. Use of disbursements to the Sponsored Organization will be restricted to the support and implementation of the Project only. Any funds disbursed to the Sponsored Organization that are not used for the Project shall be returned to the Fiscal Sponsor.
 - 2.7. No Employees. The Sponsored Organization may engage one or more independent contractors to provide services in support of the Project, but it may not hire or compensate any employees. The Sponsored Organization shall demonstrate to the satisfaction of BHCD that each independent contractor has been properly classified as such, prior to the performance of services. Information to determine proper classification can be found at:
<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee> and https://www.maine.gov/labor/misclass/how_to_determine_independent_contractor_status.shtml.
 - 2.8. Exclusivity. The Sponsored Organization shall not utilize any other organization as fiscal sponsor unless either 1) this agreement has been terminated or 2) the Fiscal Sponsor has agreed to the alternate fiscal sponsor relationship in writing.
 - 2.9. Administrative and Other Charges. 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 fees, charges, and expenses as specified in Schedule C, which the Fiscal Sponsor may amend from time to time with advance written notice to the Sponsored Organization. The administrative fee for all sponsored projects is 2% of all proceeds received by the Sponsored Organization in support of the Project.
 - 2.10. Prohibited Activities. The Sponsored Organization 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, as amended). The Sponsored Organization shall not use any portion of the funds granted herein to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with the IRC Section 501(c)(3).

- 2.11. Event or Similar Insurance Coverage. In the event the Fiscal Sponsor's insurance advisor determines that a project's activity should take place with "event insurance" or similar coverage, the Sponsored Organization will arrange such coverage (at its own expense), in consultation with the Fiscal Sponsor and the insurance advisor.

3. Obligations of Both the Fiscal Sponsor and the Sponsored Organization

- 3.1. Financial Records. The Fiscal Sponsor and Sponsored Organization shall 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.
- 3.2. Financial and Tax Reporting. The Fiscal Sponsor and the Sponsored Organization shall reflect the activities of the Project, to the extent required, on their respective state and federal government tax returns and financial reports. All disbursements from an Account must be treated as payments made to or on behalf of the Sponsored Organization to accomplish the purposes of the Project. The Sponsored Organization shall provide the Fiscal Sponsor with the Sponsored Organization's Federal Employer Identification Number (EIN), unless the Fiscal Sponsor specifically exempts the Sponsored Organization from the need to obtain an EIN.
- 3.3. Fundraising Activities. Either party may solicit gifts, contributions and grants to the Fiscal Sponsor, earmarked for the Fiscal Sponsor's restricted fund for this Project. The Sponsored Organization's choice of funding sources to be approached and the text of fundraising materials are subject to the Fiscal Sponsor's prior written approval.
- 3.4. Publicity. The Sponsored Organization shall make a reasonable effort to acknowledge the fiscal sponsorship provided by BHCD in its public communications relating to the Project. The Fiscal Sponsor shall make a reasonable effort to acknowledge its support of the Project in its public communications.

4. Other Terms and Conditions

- 4.1. Effective Date. This agreement will be in effect from the date the second party signs below (the "Effective Date") until the completion of the Project, including final reporting, unless terminated earlier in accordance with the terms herein.
- 4.2. Events of Termination. This agreement will be subject to review on the schedule specified in Schedule A, and will terminate if any of the following events occur:

- 4.2.1. The Fiscal Sponsor requests in writing that the Sponsored Organization cease activities that it deems might jeopardize its tax-exempt status and the Project fails to comply within a period of 10 days.
- 4.2.2. The Sponsored Organization fails to perform or observe any other covenant of this agreement and this failure remains uncured 15 days after written notice.
- 4.2.3. Upon expiration of four weeks after either the Sponsored Organization or the Fiscal Sponsor has given written notice of its intent to terminate the agreement.
- 4.3. Effect of Termination. The Fiscal Sponsor retains the right, if the Sponsored Organization breaches this agreement, to withhold, withdraw, or demand immediate return of funds, and to spend such funds so as to accomplish the purposes of the Project as nearly as possible within the Fiscal Sponsor's sole judgment.
- 4.4. Disposition of Assets Upon Termination. In the event this agreement is terminated, the Fiscal Sponsor and the Sponsored Organization shall comply with any termination conditions imposed by funding organizations. Assets held in the Account may be transferred to another nonprofit organization ("Successor") acceptable to both parties that (i) is tax-exempt under IRC Section 501(c)(3), (ii) is not classified as a private foundation under IRC Section 509(a) and (iii) is willing and able to sponsor the Project. Such transfer shall be effected at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If no Successor acceptable to both parties is found within a reasonable time, the Fiscal Sponsor may dispose of the Project assets in any manner consistent with applicable tax and charitable trust laws.
- 4.5. Relationship. Nothing in this agreement constitutes the naming of the Sponsored Organization as an agent or legal representative of Fiscal Sponsor for any purpose whatsoever except as specifically and to the extent set forth herein. This agreement is not exclusive to either party, and does not create any relationship of agency, partnership or joint venture between the parties, and the Sponsored Organization shall make no such representation to anyone.
- 4.6. Entire Agreement. This agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. All Schedules hereto are a material part of this agreement and are incorporated by reference. This agreement, including the Schedules hereto, may not be amended or modified, except in a writing signed by both parties to this agreement.
- 4.7. Miscellaneous. 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 will, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs of sustaining its position. 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. This agreement shall be interpreted and construed in accordance with the laws of the State of Maine applicable to contracts to be performed entirely within the State. The

failure of the Fiscal Sponsor to exercise any of its rights under this agreement shall not be deemed a waiver of such rights.

In witness whereof, the parties have executed this agreement as of the Effective Date.

Accepted for the Fiscal Sponsor:

Accepted for the Sponsored Organization:

By: _____

By: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

5. Attached Schedules

- A. Project Description
- B. Sponsored Organization
- C. Additional BHCD Sponsorship Terms and Policies
- D. Disbursement Request Form

SCHEDULE A

Project Description

(See reverse of page for an indication of how to complete each area of the form)



Project Summary																																		
Benefit to the Blue Hill Community																																		
Timetable (anticipated)	Start Date: _____	Completion Date: _____	Milestones:																															
Financial Budget	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 2px;">Sources of Funds</th> </tr> <tr> <th style="width: 80%; padding: 2px;">Category</th> <th style="width: 20%; padding: 2px;">Amount</th> </tr> </thead> <tbody> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr> <td style="padding: 2px;">Total</td> <td></td> </tr> </tbody> </table>	Sources of Funds		Category	Amount											Total		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 2px;">Uses of Funds</th> </tr> <tr> <th style="width: 80%; padding: 2px;">Category</th> <th style="width: 20%; padding: 2px;">Amount</th> </tr> </thead> <tbody> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td></tr> <tr> <td style="padding: 2px;">Total</td> <td></td> </tr> </tbody> </table>	Uses of Funds		Category	Amount											Total	
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Category	Amount																																	
Total																																		
Other Resources Required																																		
Expectations of BHCD																																		

SCHEDULE A

Project Description: Fields to complete

We need to understand your project well enough to judge how it will benefit the community, establish feasibility, confirm conformance with BHCD's charitable purposes and assess our ability to provide any specifically requested assistance:

Project Summary:	Provide a brief summary of the project. One or two paragraphs should suffice.
Benefit to the Blue Hill Community	Describe how the project will benefit the Town of Blue Hill community at large, which is important to BHCD's status as a charity.
Timetable	Describe the anticipated start date, end date and any important milestones for the project.
Financial Budget	Summarize the financial resources required for the project and anticipated sources of funds. If appropriate, you can incorporate the value of any non-cash contributions. But we need to clearly understand what cash will be required and where you expect that cash to come from.
Other Resources Required	Describe other resources required for the project (such as volunteer efforts) and how the Sponsored Organization plans to obtain these resources.
Expectations of BHCD	Describe any expected help or resources from BHCD beyond those described in the "BHCD Role" portion of the BHCD website.

SCHEDULE B

Sponsored Organization

BHCD relies on the project team to execute projects that it sponsors and our Fiscal Sponsor Agreement identifies roles and responsibilities for the sponsored "organization" (whether a group of citizens or a formal legal entity):



Organization Name			
Description			
Leader(s)	Name	Phone	Email Address
Authorizing Official	Name	Phone	Email Address
Other Key Organization Members	Name	Phone	Email Address

If the Sponsored Organization is a legal entity, BHCD will require (as applicable) the following documents:

1. Articles of Incorporation / Certificate of Formation
2. Bylaws / Operating Agreement
3. Federal Employer Identification Number

SCHEDULE C

Additional BHCD Sponsorship Terms and Policies

This document identifies additional terms associated with BHCD's fiscal sponsorship of the Sponsored Organization that are specific to the Project.



Reports and Reporting Schedule	
Other Project-specific Terms	

SCHEDULE D

Disbursement Request Form

BHCD is required to monitor disbursements of its funds to ensure that they are being applied in a way that is consistent with BHCD's 501(c)(3) tax-exempt status. Completion of this form, explaining how the requested payment supports the Project, is required before the disbursement will be made.



General	
Request Date	
Project	
Sponsored Organization	
Disbursement	
Payee	
Amount	
Purpose	
Invoice/Receipt?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Notes	
Representation	
	<p>I hereby certify that the payment requested above is to support and/or implement the Project as described in Schedule A to the associated Fiscal Sponsor Agreement.</p> <p style="text-align: right;">_____</p> <p style="text-align: right;">Printed Name: _____</p> <p style="text-align: right;">As Authorizing Officer for the Project</p>