

SAMPLE FISCAL SPONSORSHIP GRANT AGREEMENT



FRACTURED
ATLAS

FISCAL SPONSORSHIP GRANT AGREEMENT

This Fiscal Sponsorship Grant Agreement (the "Agreement") is made by and between Fractured Atlas, Inc. ("Grantor"), and **your name** ("Grantee"). Grantor is a New York not-for-profit corporation recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Grantee is **a description of your legal status for this contract and your contact information**.

Recitals

WHEREAS, by submitting an application for fiscal sponsorship to Grantor, the applicant Grantee indicates that they have read and understood this Agreement in full and that, in the event that the application is approved by Grantor, in its sole discretion, Grantee agrees and intends to be legally bound by this Agreement.

WHEREAS, this Agreement and the terms and conditions set forth herein shall become effective only if and when Grantor's Board of Directors approves the application for fiscal sponsorship and Grantor returns to Grantee a copy of this Agreement counter-signed by an authorized officer of Grantor.

WHEREAS, by signing this Agreement, Grantor has approved the establishment of a restricted fund to receive donations of cash and other property earmarked for support of the purposes of the project known as **your project name** (the "Project"), which is a set of charitable programs and activities with a mission as set forth in Grantee's application for fiscal sponsorship as submitted to Grantor and within the range of permissible activities consistent with IRC Section 501(c)(3). After appropriate due diligence of Grantee's qualifications and submitted application for fiscal sponsorship, Grantor is satisfied that the purposes of the Project are consistent with Grantor's charitable purposes and Grantee is capable of producing the Project in a professional, competent, and diligent manner. Accordingly, Grantor has decided to grant all amounts and assets that it may receive and deposit to that restricted fund (less any administrative charge set forth herein) to Grantee, subject to the terms and conditions of this Agreement, to be used in support of the purposes of the Project.

WHEREAS, Grantor desires to act as the fiscal sponsor of the Project, by receiving assets identified with the purposes of the Project beginning on the Effective Date as defined in paragraph 1, and using them to pursue the objectives for which the Project is being established, which Grantor has determined will further its exempt purposes. Grantee desires to conduct the Project with the grant support of Grantor.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Term.** On the date this Agreement is counter-signed by Grantor below (the "Effective Date"), this Agreement shall commence and shall continue in effect unless and until terminated as provided herein.
2. **Project Activities.** Grantor shall not be responsible for the programmatic work, fundraising events, accounts payable and receivable, negotiation of contracts, insurance, day-to-day use of funds granted to Grantee, or other matters related to activities conducted by Grantee, whether associated with the Project or otherwise. No person working on the Project shall be an employee or contractor of Grantor with respect to such work. Grantee shall assume full and complete responsibility for all liabilities to third parties incurred by or in connection with the Project, including but not limited to accounts payable, any and all claims whether asserted or unasserted while this Agreement is in effect, any performances due under contracts, any goods to be delivered, and any services to be performed.
3. **Legal Status.** If Grantee is an entity, Grantee shall provide Grantor with its governing documents, Employer ID Number, and other documentation satisfactory to Grantor, showing Grantee's separate existence as an organization. If Grantee is an individual, Grantee personally assumes full legal, fiscal, and oversight responsibility for all obligations and commitments of Grantee under this Agreement. Grantee shall abide by Grantor's program policies posted in the fiscal sponsorship section of the Fractured Atlas website (available at <https://fracturedatlas.zendesk.com/hc/en-us/categories/115000288313-Fiscal-Sponsorship-Policies>) (collectively, the "Program Policies"). The Program Policies may be amended by Grantor in its sole discretion from time to time with written notice to Grantee.
4. **Grants.** Grantor shall have authority over the financial administration of the Restricted Fund, as defined below, and shall be responsible for the processing, acknowledgment, and deposit into the Restricted Fund of cash and noncash items received to support and advance the purposes of the Project. Grantor shall make grants from the Restricted Fund to support the purposes of the

Project, subject to the terms and conditions of this Agreement, in amounts and at times in Grantor's sole discretion. All other authority and responsibility related to the Project shall be vested in and exercised by Grantee, including the duty to comply with the terms of this Agreement and with the terms of any agreements with funding sources, including the preparation of grant reports, although ultimate responsibility for administration of the Restricted Fund rests with Grantor. All grants made to Grantee pursuant to this Agreement are gifts, subject to the conditions and restrictions contained herein, and not payments for services. Any grant of a noncash item shall be granted to Grantee on an "as is" basis without any warranty or representation whatsoever, either express or implied, about the condition, merchantability, design, or operation of such item, or its fitness for any particular purpose, or the quality or capacity of the materials in it.

- a. **Grant Spending.** Grantee shall spend all funds granted to it by Grantor in furtherance of the purposes of the Project within ninety (90) days of receipt. Grantee shall return any funds not so spent to Grantor and they shall be placed in the Restricted Fund for the purposes of the Project.

5. **Repayment.** Grantee shall use all grants made to it by Grantor solely for the purposes of the Project as set forth in Grantee's application for fiscal sponsorship as submitted to Grantor and in a manner that is consistent with IRC Section 501(c)(3), and Grantee shall repay to Grantor any portion of any amount granted which is not used by the Grantee for those purposes. Any desired changes in the purposes for which grant funds are spent from what was set forth in Grantee's application for fiscal sponsorship as submitted to Grantor must be approved by Grantor (in writing or by email) before implementation. Grantor retains the right, if Grantee breaches this Agreement or if Grantee's conduct of the Project jeopardizes Grantor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds, and to spend such funds so as to accomplish the purposes of the Project as nearly as possible within Grantor's sole judgment.
6. **Solicitation of Funds and Contributions.** Grantee's directors, officers, employees, and authorized volunteers may, as non-exclusive agents of Grantor and on behalf of Grantor (collectively, the "authorized fundraising agents"), solicit monetary gifts, contributions, grants, and non-monetary gifts ("In-Kind Items") to Grantor for the purposes of the Project. The choice of funding sources to be approached and the text of fundraising materials and communications are subject to Grantor's prior approval (in writing or by email). Grantor, in its sole discretion, has the final authority over which offered donations, grants, or other contributions it will or will not accept. All grant agreements, pledges, or other commitments with funding sources to support the purposes of the Project shall be executed by Grantor. Any costs associated with the preparation of grant reports to

Grantor or funding sources and/or application for grant funding for the purposes of the Project shall be the sole responsibility of Grantee, although ultimate responsibility for administration of the Restricted Fund rests with Grantor. Should an authorized fundraising agent become aware of an offer to contribute an In-Kind Item to Grantor for the purposes of the Project, they shall promptly inform Grantor of such offer, as further required in the Program Policies. Grantor shall have the final authority to decide whether or not to accept an offered In-Kind Item. All In-Kind Items received by Grantor for the purposes of the Project shall be held by Grantor in charitable trust for such purposes. Notwithstanding anything in this paragraph, neither Grantee nor any authorized fundraising agent is authorized to make any binding commitments, either express or implied, to potential funding sources or donors on behalf of Grantor. Each authorized fundraising agent shall act in a volunteer capacity only and shall not be entitled to compensation or other consideration from Grantor in connection with any solicitations conducted pursuant to this Agreement.

- a. **Notification of Benefits and Fair Market Value.** Each authorized fundraising agent is responsible for notifying Grantor in advance of any benefits intended to be provided to donors in exchange for any contribution to Grantor for the purposes of the Project, and for estimating the fair market value of such benefits.
- b. **Donors.** Donations to Grantor for the purposes of the Project are only tax-deductible to the extent permitted by law. No authorized fundraising agent, nor Grantee, shall provide any legal or accounting advice to any donor or potential donor and shall advise any donor or potential donor to consult with their own professional tax adviser or attorney regarding any questions. Grantor assumes and has no responsibility for ensuring that contributions to Grantor for the purposes of the Project are tax-deductible for any particular donor.

7. **Relationship.** Except as specifically and to the extent set forth in paragraph 6 above, (i) nothing in this Agreement shall constitute the naming of Grantee or any of its directors, officers, employees, or volunteers as an agent or legal representative of Grantor for any purpose whatsoever; and (ii) this Agreement shall not be deemed to create any relationship of partnership, joint venture, or other agency between the parties hereto, and Grantee shall make no such representation to anyone.
8. **Restricted Fund & Variance Power.** Beginning on the Effective Date, Grantor shall place all gifts, grants, contributions, and other revenues received by Grantor to support and advance the purposes of the Project into a restricted fund to be used for the sole benefit of furthering the purposes of the Project as those purposes may be defined by Grantee from time to time within the

tax-exempt purposes of Grantor and with the approval of Grantor (the "Restricted Fund"). Grantor retains the unilateral right to spend such funds and use such other assets so as to support and advance the purposes of the Project as nearly as possible, subject to any donor-imposed restrictions as to purpose and consistent with the terms of any applicable grant agreement regarding the charitable use of such assets. With respect to the selection of Grantee or any other grantee to carry out the purposes of the Project, Grantor retains full discretion and control over the selection process, acting completely independently and without the required consent of any funder or revenue source. The parties agree that all money, and the fair market value of all property, in the Restricted Fund be reported as the income of Grantor, for both tax purposes and for purposes of Grantor's financial statements. It is the intent of the parties that this Agreement be interpreted to provide Grantor with variance powers necessary to enable Grantor to treat the Restricted Fund as Grantor's asset in accordance with 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, while this Agreement is in effect.

9. **Creditor Claims.** Because the Restricted Fund is held under the charitable trust doctrine for the purposes of the Project specifically as understood by and with funding sources, the parties intend that assets in the Restricted Fund or otherwise held for the purposes of the Project are not subject to the claims of any creditor or to legal process resulting from activities of Grantor unrelated to such purposes.

10. **Administrative Charge.** In order to defray Grantor's costs of administering fiscal sponsorship, Grantor shall reallocate an amount equal to eight percent (8%) of (1) all funds received by Grantor for the purposes of the Project, regardless of source, and (2) the value of all In-Kind Items received by Grantor for the purposes of the Project (the "administrative charge"). This administrative charge shall be applied at the time each contribution in support of the purposes of the Project is received by Grantor. Grantor may additionally, in its sole discretion, apply funds held in the Restricted Fund to cover any special or unusual costs it incurs in administering fiscal sponsorship of the Project. In addition to the administrative charge, Grantor shall retain all interest earned in connection with the funds or assets held in the Restricted Fund for the purposes of the Project. All such charges, fees, and interest will be paid to the general fund of Grantor. They are necessary to compensate Grantor for its services provided in administering fiscal sponsorship, and thus become unrestricted rather than restricted assets when paid to the general fund of Grantor. Once paid to the general fund of Grantor, fees, charges, and interest will not be returned or refunded.

11. **Intellectual Property.** Any tangible or intangible property, including copyrights, trademarks, or other intellectual property, obtained or created by Grantee as part of the Project shall remain the property of Grantee, and Grantee shall be the sole party responsible for the editorial and creative direction of the Project. Notwithstanding the foregoing, Grantee agrees to give archival materials, including documents, collateral, and finished products, to Grantor at no cost for inclusion in Grantor's archives, and for use in Grantor's promotional and programmatic efforts, subject to any third party rights in and restrictions on the use of, such property. Grantee further agrees to ensure that any finished product or products created by Grantee as part of the Project using funds granted by Grantor are produced, provided, or otherwise utilized in a manner that benefits the public. Grantee shall not sell or otherwise transfer to any third party the right to distribute, exhibit, or otherwise profit from any finished product or products, or parts or derivatives thereof, created by Grantee as part of the Project using funds granted by Grantor without Grantor's prior written consent, which shall be provided in its sole discretion (for the avoidance of doubt, such prior written consent of Grantor is also required for the selection of any distributor for any such finished product or products, or parts or derivatives thereof). Grantor shall further have the right to reproduce, without any further required consent or license from Grantee, any finished product or products created by Grantee as part of the Project using funds granted by Grantor in furtherance of Grantor's exempt purposes.
12. **Reporting and Recordkeeping Requirements.** For so long as this Agreement is in effect, Grantee shall submit annual written reports to Grantor by no later than April 1 of each year. Grantee shall also submit a final report to Grantor upon termination of this Agreement. Each report shall be provided using the Grant Report Form provided by Grantor and shall describe the charitable programs conducted by Grantee with the aid of Grantor's grant(s), the expenditures made with grant funds, and Grantee's compliance with the terms of this Agreement since the later of the Effective Date of this Agreement or the date of Grantee's most recent prior report to Grantor. Notwithstanding the foregoing, Grantor, in its sole reasonable discretion, may also require Grantee to submit additional reports using the Grant Report Form provided by Grantor at such times or intervals as determined by Grantor to be necessary or appropriate. The reports required to be submitted by Grantee to Grantor pursuant to this paragraph shall contain sufficient information to establish that all grant funds were used for the purposes of the Project and in furtherance of Grantor's exempt purposes. Grantee shall treat grant funds as restricted assets and shall maintain books accounting for grant funds separately from other funds. All expenditures made in furtherance of the purposes of the Project shall be charged off against the grant and shall appear on Grantee's books. Grantee shall keep adequate records to substantiate its expenditures of grant

funds. Grantee shall make these books and records available to Grantor at reasonable times for review and audit, and shall comply with all reasonable requests of Grantor for information and interviews regarding use of grant funds. Grantee shall keep copies of all relevant books and records and all reports to Grantor for at least four (4) years after completion of the use of the grant funds.

- a. **Periodic Audit.** Grantor, at any time and at its sole discretion, may conduct an audit of Grantee's activities related to the Project. Such audits are intended to investigate and document that the Project is being carried out in a manner consistent with Grantee's application for fiscal sponsorship, this Agreement, Grantor's exempt purposes, and all applicable laws. Failure on the part of Grantee to provide full cooperation and adequate documentation in the event of an audit shall be considered a breach of this Agreement.

13. **Prohibited Uses.** All grant funds shall be used by Grantee solely for the purposes of the Project and, unless Grantor and Grantee enter into a separate written grant agreement, Grantee shall not use any portion of the grant funds to attempt to influence legislation within the meaning of IRC Section 501(c)(3) and the associated Regulations. Grantee acknowledges that any and all grants made by Grantor to Grantee are intended to constitute "controlled grants" within the meaning of 26 CFR § 56.4911-4(f)(3) unless otherwise specified in a separate written grant agreement. Should Grantee use any portion of the grant Funds for a purpose other than the purposes of the Project, including attempts to influence legislation or for other lobbying activities, without the prior written consent of Grantor, Grantee shall repay to Grantor any portion of the grant funds which is so used by Grantee. Grantee shall not use any portion of the grant funds or proceeds of the grant funds to directly or indirectly 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). If Grantee engages in conduct that Grantor determines in its sole discretion may jeopardize Grantor's legal or tax-exempt status, Grantor retains the right to withhold, withdraw, or demand immediate return and repayment of any grant funds from Grantee.
14. **Notification Requirements.** Grantee shall notify Grantor immediately of any change in (a) Grantee's legal or tax status, or (b) Grantee's executive staff or key staff responsible for achieving the purposes of the Project.
15. **Grantee Warranties.** Grantee hereby represents and warrants that it has all requisite power and authority to engage in the activities contemplated by this Agreement and, if an entity, that it is duly

formed, validly existing, and in good standing. Grantee further represents and warrants that the Project and its production do not violate any personal or private rights, copyright or trademark rights, or any other rights of any third party. In addition to the obligations set forth in paragraph 16 of this Agreement, Grantee agrees, to the fullest extent permitted by law, to hold Grantor harmless from, and defend Grantor against, any claims of such violations, including, without limitation, reasonable attorneys' fees and court costs of Grantor, its officers, directors, employees, successors, permitted assigns, and agents.

16. **Indemnification.** Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Grantor, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, suits, proceedings, causes of action, damages, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "Claims") directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, directors, officers, volunteers, or agents, in applying for or accepting grants from Grantor, in expending or applying the funds or other In-Kind Items furnished by Grantor pursuant to such grants, in carrying out the Project, or resulting in any material breach of this Agreement by Grantee. Notwithstanding any other provision of this Agreement, this paragraph 16 shall survive the termination of this Agreement for any reason.

17. **Termination.**

- a. **Grounds for Termination.** This Agreement may be terminated (1) by Grantor when the objectives of the Project can no longer reasonably be accomplished, including when insufficient funds remain in the Restricted Fund held for the purposes of the Project, as determined by Grantor in its sole discretion; (2) by Grantor if and when Grantee fails to maintain its status as an active member of Grantor; (3) by either party based upon a material breach of this Agreement by the other party; or (4) by either party when either Grantee or Grantor desires to terminate Grantor's fiscal sponsorship of the Project for any reason. When either party desires to terminate this Agreement, it shall provide a written notice of termination to the other party.
- b. **Notice of Termination.** Upon Grantee's receipt of a written notice of termination of this Agreement by Grantor under grounds (1), (2), or (3) in subparagraph a above, Grantee shall have five (5) days to cure the basis for the termination. If not cured, in Grantor's sole discretion, by the end of the five (5) day period, this Agreement shall be terminated. Upon

Grantor's receipt of a written notice of termination of this Agreement by Grantee under grounds (3) in subparagraph a above, Grantor shall have fifteen (15) days to cure the basis for termination. If not cured by the end of the fifteen (15) day period, this Agreement shall be terminated. This Agreement shall be terminated forty (40) days after receipt of a written notice of termination of this Agreement by either party under grounds (4) in subparagraph a above.

- c. **Effect of Termination.** In the event this Agreement is terminated for any reason as set forth in this paragraph and the balance in the Restricted Fund designated for the purposes of the Project is greater than zero, Grantor may dispose of the assets held in the Restricted Fund for the purposes of the Project, in its sole discretion, in any manner consistent with applicable tax and charitable trust laws, including, but not limited to by making a grant to another IRC Section 501(c)(3) exempt entity willing and able to serve as a successor fiscal sponsor for the purposes of the Project or otherwise using the grant funds consistently with the purposes of the Project. Grantee may submit a final request to Grantor no later than ninety (90) days after the termination of this Agreement for a grant to support Project-related anticipated or committed expenses. If Grantee submits such a request, Grantor may, in its sole discretion, grant some or all of the remaining funds or In-Kind Items held in the Restricted Fund to Grantee to support the Project.

18. **Notice.** Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered by email to the following persons:

To Grantee: **Your legal entity name**
 Attn: Name of signatory, if different
 Email: Your email

To Grantor: Fractured Atlas, Inc.
 Attn: Theresa Hubbard
 Email: support@fracturedatlas.org

A party may change its address or other contact information included above by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address or other contact information. If sent by mail, notice shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by email, communication shall be effective or deemed to have been given twenty-four (24) hours after the

time set forth on the transmission report issued by the email account, addressed as set forth above. For purposes of calculating these time frames, weekends, and federal holidays shall be excluded.

19. **Applicable Law and Venue.** This Agreement shall be governed by, and construed under, the laws of the State of New York applicable to contracts entered into and to be performed entirely in such State. Venue for all purposes shall be in the County of New York, State of New York, and each party hereby consents to the personal jurisdiction of any court in such county.
20. **Insurance Obligations.** Grantor may require Grantee, at its sole cost and expense, to procure and maintain insurance in commercially reasonable amounts and by an insurer reasonably acceptable to Grantor against claims for injuries to persons, damages to property, or loss of any kind which may arise from the production of the Project, or any actions taken in connection with the Project, by Grantee or Grantor, or their officers, directors, agents, representatives, employees, or subcontractors. If such insurance is required, Grantee agrees that Grantor, and its officers, directors, agents, representatives, employees, and subcontractors are to be covered as additional insureds. Grantee further agrees to provide Grantor with copies of insurance certificates evidencing such coverage and receipts showing payment of premiums therefore, and will deliver updated certificates and receipts to Grantor upon Grantor's request. Grantor shall have no liability whatsoever for any loss that may occur by reason of the absence, insufficiency, or cancellation of any insurance coverage of or for Grantee.
21. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way, and the invalid provision replaced by an enforceable provision most nearly approximating the intent of the parties.
22. **Anti-Terrorism & Sanctions.** Grantee shall use all grants made to it by Grantor in accordance with regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") and no funds granted by Grantor shall be used to provide funds or services to any person or entity listed on either the Specially Designated Nationals List or the Consolidated Sanctions List published periodically by OFAC. It is further understood that no grant funds from Grantor shall be used for any prohibited activity in any countries under sanctions by the U.S. government, including prohibited travel to and from those countries, or for the unauthorized provision of funds or services to any person, entity or organization from those countries.

23. **Tax Law Compliance.** Grantee represents and warrants that Grantee has complied, and will continue to comply at all times in which it is in possession of funds granted to it by Grantor, with all relevant tax laws and regulations, both in the U.S. and in any country or country in which Grantee is raising or disbursing the funds which are subject to this Agreement.
24. **Headings.** The headings contained in this Agreement are for convenience only, do not constitute a part of this Agreement, and shall not be deemed to limit or affect any of the provisions of this Agreement.
25. **Entire Agreement.** This Agreement, along with the Program Policies and Grantee's application for fiscal sponsorship submitted to Grantor, which are hereby incorporated herein by reference, constitutes the entire agreement of the parties with respect to the subject matter hereof. Grantor reserves the right to modify or amend this Agreement at any time, provided that such modification or amendment shall not be effective until thirty (30) calendar days after notice (either in writing or by email) describing such modification(s) or amendment(s) is provided to Grantee (the "Amendment Notice"). If Grantee does not wish to accept the modification(s) or amendment(s) to this Agreement, Grantee may provide written notice of termination of this Agreement under grounds (4) in subparagraph a of paragraph 17 to Grantor by no later than thirty (30) calendar days after the Amendment Notice was provided to Grantee, in which case the provisions of paragraph 17 shall apply. If Grantee does not provide written notice of termination of this Agreement by the thirtieth (30th) day following when the Amendment Notice was provided to Grantee, then Grantee shall be deemed to have consented and agreed to the modification(s) or amendment(s) described in the Amendment Notice. Grantor reserves the right to modify or amend the Program Policies at any time, provided that such modification or amendment shall not be effective until the modified or amended Program Policies is published on the website referred to in paragraph 3. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
26. **Assignment.** This Agreement may not be assigned by Grantee, including by operation of law, without the prior express written consent of Grantor. This Agreement shall be enforceable by, inure to the benefit of, and be binding upon the parties' respective successors in interest, if any, and any permitted assigns.
27. **Authority.** Each undersigned represents and warrants by its signature that each has the power, authority, and right to bind its respective party to each of the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date last signed by Grantor below.

Signed **Date agreement is signed**

YOUR LEGAL ENTITY NAME

Digitally signed by **Your name**

Signed **Date agreement is signed**

FRACTURED ATLAS, INC.

A handwritten signature in black ink, appearing to read "Theresa L. Hubbard".

Theresa Hubbard

CEO