



## SPONSORSHIP AGREEMENT

**AGREEMENT** made this \_\_\_ day of \_\_\_, 20\_\_\_, by and between [insert name and address of exempt organization], a corporation organized under the New York Not-For-Profit Corporation Law (the "Sponsor"), and [insert name and address of non-exempt organization], a [describe type of entity] (the "Recipient");

### WITNESSETH:

**WHEREAS**, the Sponsor, a not-for-profit corporation exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is formed for the purpose(s) of [list charitable/educational purposes relevant to Program];

**WHEREAS**, the Recipient is a [type of entity] formed for the purpose(s) of [list charitable/educational purposes relevant to Program], has developed [description of Program] (the "Program") and desires to solicit tax deductible charitable contributions for use in implementing the Program (the "Program Funds");

**WHEREAS**, the Sponsor is willing to receive and administer the payment of the Program Funds to be awarded by donors (the "Donors") to the Sponsor for purposes of implementing the Program; and

**WHEREAS**, the Sponsor and the Recipient desire to set forth in this Agreement their duties and responsibilities to each other with respect to the receipt and disbursement of the Program Funds and the administration, management and implementation of the Program;

**NOW, THEREFORE**, in consideration of the mutual promises, conditions and covenants contained herein, the parties hereto agree as follows:

1. The Sponsor shall (a) advise and assist the Recipient in the preparation of grant proposals, sign Program-related grant contracts and process approved Program-related grants promptly, (b) receive the Program Funds, (c) send acknowledgement of the receipt of the Program Funds to the relevant Donors, (d) provide a copy of each such acknowledgement to the Recipient, (e) deposit such Program Funds in an interest-bearing account (the "Program Account") in the name of the Sponsor, established by the Sponsor and maintained at [name and address of bank], and (f) make such Program Funds available to the Recipient as provided for in paragraph 3 below.
2. (a) The Sponsor shall be entitled to deduct from each separate award of Program Funds received from a Donor an administrative fee of [insert fee percentage] percent (\_\_\_%) of the amount of such award, but in no event shall the aggregate of all such fees from all Donors deducted by the Sponsor during any fiscal year of the Sponsor exceed \$[insert amount at which the administrative fees will be capped].

(b) The Sponsor shall retain any interest earned on the Program Funds held in the Program Account to help defray the administrative costs incurred by it arising out of this Agreement.

(c) The Sponsor shall also charge the Recipient directly for any costs and expenses the Sponsor may incur on behalf of the Program at the request of the Recipient or otherwise, including, without limitation, equipment and copying charges, bank charges, payroll expenses, taxes and costs of providing benefits.

3. (a) The Sponsor shall allow the Recipient to benefit from its Section 501(c)(3) tax exempt status in connection with the Program, to the extent permitted by law. The Sponsor shall report all Program Funds which it receives for the Program as contributions to it as required by law, and shall furnish information regarding and evidence of its status as an exempt organization under Section 501(c)(3) of the Code to any Donor upon request by the Recipient. The Sponsor shall promptly notify the Recipient of any change in its tax-exempt status.

(b) The Sponsor shall maintain all financial records for Program Funds according to generally accepted accounting principles. The Program Account shall be segregated on the books of the Sponsor. Reports reflecting receipts, expenditures and balances will be delivered to the Recipient on a monthly basis, within two (2) weeks after the end of each month, and, on an annual basis, within three (3) months after the end of each year.

(c) The Sponsor shall prepare all requisite New York State and federal governmental reports and informational returns required in connection with the Program and individuals hired to perform services in connection with the Program, including those required by the Internal Revenue Service. In the event the Program shall be audited by auditors selected by the Recipient or any Donors, the Sponsor shall assist such auditors. The Sponsor shall retain all records relating to the Program for such period as required by law.

4. The Sponsor shall advise and assist the Recipient (a) in the preparation of Program-related budgets and the financial reports required to be delivered by the Recipient to the Sponsor pursuant to paragraph 7 below, and (b) by providing [description of services and management consulting, if any, offered by the Sponsor].
5. The Sponsor shall permit the Program to operate freely within the guidelines of the Program's purposes and shall not interfere with such purposes, and all right, title and other ownership interests in and to the Program including, without limitation, tangible and intangible property arising out of the Program, and all income arising therefrom, shall be for the sole benefit of the Recipient.
6. Within three (3) business days from the date on which Program Funds are deposited in the Program Account or after that period of days required for the deposit to clear in the Program Account shall have elapsed, whichever is less, the Recipient shall be entitled to draw on the Program Funds by delivering to the Sponsor a disbursement request setting forth the name of the Program, the relevant Program Funds against which the Recipient wishes to draw and the purpose of the disbursement request. The Recipient shall attach to the disbursement request all relevant original

documentation supporting the purpose of the disbursement request, including original receipts and invoices. The disbursement request must be received by the Sponsor no later than 11:00 a.m. of the date the Recipient requests the Sponsor to issue and deliver checks. The Sponsor shall be entitled to request additional information from the Recipient before disbursing Program Funds. In no event shall the Sponsor transfer, assign or disburse any portion of the Program Funds without a disbursement request received from the Recipient.

7. The Recipient shall use any and all Program Funds disbursed by the Sponsor solely for the costs and expenses specified in the disbursement request pursuant to which such Program Funds have been disbursed and any and all Program Funds administered by the Sponsor and disbursed to the Recipient shall be used by the Recipient solely for legitimate expenses of the Program. The Recipient shall maintain adequate financial records. Reports, reflecting receipts and expenditures of Program Funds by the Recipient shall be delivered to the Sponsor on a quarterly basis, within one (1) month after the end of each quarter. All financial records and reports maintained and prepared by the Recipient shall be in form prescribed by the Sponsor.
8. The Recipient shall not use Program Funds received from the Sponsor in any way which would jeopardize the tax-exempt status of the Sponsor. The Recipient shall comply with any request by the Sponsor that it cease activities which might jeopardize its tax-exempt status or result in adverse tax consequences to the Sponsor.
9. The Recipient shall use its best efforts to carry out the Program purposes as set forth in its application to the Sponsor with respect to the Program, shall advise the Sponsor of any material changes in its purposes or activities and shall not make any such changes without the written consent of the Sponsor.
10. The Recipient shall comply with all New York State and federal governmental registration, lobbying and reporting requirements that may be applicable to it in connection with its implementing the Program and shall provide written evidence to the Sponsor, at its request, of such compliance.
11. The Recipient shall cause all Donors to have all grants and contributions made payable to the Sponsor.
12. The Recipient shall file all reports required by Donors and shall furnish the Sponsor, at its request, with copies of such reports.
13. The Recipient shall close any and all bank accounts relating to the Program opened prior to the date hereof, shall not open any new bank accounts relating to the Program, shall deposit all Program Funds and any and all other monies relating to the Program in the Program Account and shall conduct all Program-related financial activity through the Sponsor for so long as this Agreement shall remain in effect.
14. The Recipient shall designate two (2) individuals as principal coordinators of the Recipient's daily business with the Sponsor. The Recipient shall appoint at least two individuals who shall be granted authority, singly, to sign disbursement requests, shall cause such individuals to sign signature cards, and shall notify the Sponsor of

any changes in authorized signatories, promptly upon such changes becoming effective.

15. All publicity, news releases, programs and other Program-related written material circulated among the media and the general public shall acknowledge the involvement of the Sponsor as follows: "The [Name of Program] has been made possible in part with the sponsorship of [Name of Sponsor], with funding provided by [Name of Donors]" or "[Name of Program] is a Program of [Name of Sponsor]" or some other acknowledgement which shall be acceptable to each of the parties hereto.
16. The Sponsor shall be permitted to use the name and description of the Program and any projects in which the Program is involved in for information and promotional purposes.
17. This Agreement shall terminate if one or more of the following events shall have occurred and be continuing:
  - (a) The Sponsor shall have requested the Recipient to cease activities which the Sponsor deems might jeopardize its tax-exempt status or which might result in adverse tax consequences to the Sponsor and the Recipient shall have failed to comply with such request within a period of ten (10) days from the date of such request; or
  - (b) Either party hereto shall have failed to perform or observe any other term, condition or covenant of this Agreement, which shall remain unremedied for a period of fifteen (15) days after notice thereof shall have been given to such party by the other party hereto; or
  - (c) The parties hereto shall determine by mutual agreement, which shall be in writing and signed by each of the parties hereto, that this Agreement shall be terminated.
  - (d) In the event this Agreement is terminated pursuant to the provisions of this Paragraph 17, the Program Funds shall not be transferred to any individual or entity without the consent of the Sponsor who shall be restricted to transferring such funds solely to a Section 501(c)(3) tax exempt organization or an individual as actual remuneration for services rendered to the Program, or both.
18. All notices, acknowledgements, requests (including disbursement requests), reports (including financial reports) and other communications under this Agreement shall be in writing, either by letter (delivered by hand or commercial messenger service or sent by certified mail, return receipt requested, except for routine reports delivered in compliance with paragraphs 3 and 7 hereof which may be sent by ordinary first-class mail) or telecopy, addressed as follows:

(a) If to Sponsor:

Attention:

Email Address:

(b) If to Recipient:

Attention:

Email Address:

Any notice, request or communication hereunder shall be deemed to have been given on the day on which it is telecopied to such party at the telecopier number specified above or delivered by hand or such commercial messenger service to such party at its address specified above, or, if sent by mail, on the third business day after the day deposited in the mail, postage prepaid.

19. This Agreement may be signed in counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
20. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

[NAME OF SPONSOR]

By: \_\_\_\_\_  
[Name of Signatory and Title]

[NAME OF RECIPIENT]

By: \_\_\_\_\_  
[Name of Signatory and Title]