

## Financial Sponsorship Agreement

This Agreement is between SW Trails PDX ("Fiscal Sponsor") and Southwest Portland Tool Library ("Sponsored Organization"), who agree as follows.

1. Fiscal Sponsor is an Oregon nonprofit corporation, tax exempt under Internal Revenue Code Section 501(c)(3) and the corresponding provision of state law. Fiscal Sponsor's charitable purpose is to provide events and opportunities for residents of the Southwest Portland, Oregon (and neighboring vicinities), to promote and be involved in the construction, maintenance, and enjoyment of pedestrian and bicycle routes. Fiscal Sponsor enters into this Agreement to further this tax-exempt purpose.
2. Sponsored Organization is a loose affiliation of individuals (and/or organizations) who desire to carry out the following charitable activities: lend tools to members in the western boundaries of the city of Portland (the "Project"). Sponsored Organization will not carry out any other activities. Until such time as Sponsored Organization incorporates and obtains Internal Revenue Code Section 501(c)(3) tax-exempt status, Sponsored Organization needs a fiscal sponsor to receive grants, tax-deductible contributions, and other revenues on its behalf for use in carrying out the Project. Sponsored Organization desires that Fiscal Sponsor serve as its fiscal sponsor, and Fiscal Sponsor is willing to do so.
3. This Agreement shall commence on June 1, 2019, and shall continue indefinitely until terminated upon the giving of thirty (30) days written notice to the other party. Unless otherwise agreed by the parties or required by the terms of a contribution or grant, Fiscal Sponsor shall retain all funds received for the Project and unspent as of the date of termination of this Agreement.
4. At all times during the term of this Agreement, the Project shall be considered a project of Fiscal Sponsor. The Board of Directors of Fiscal Sponsor has the final authority concerning fund solicitation and the use of funds received for the Project. Sponsored Organization will submit for Fiscal Sponsor's prior approval a copy of all written material that identifies Fiscal Sponsor with the Project, and all other written material requested by Fiscal Sponsor.
5. The following persons are authorized to represent Sponsored Organization: Jason Bergstrom. Sponsored Organization may change its representatives with prior written notice to Fiscal Sponsor. The Executive Director of Fiscal Sponsor, or his or her designee, is authorized to represent Fiscal Sponsor.
6. Fiscal Sponsor will receive and administer all funds that Sponsored Organization will use to carry out the Project. Fiscal Sponsor will send all required acknowledgments to donors of tax-deductible contributions, and will submit all required grant reports. Fiscal Sponsor will include all funds received for the Project on its income tax returns. Sponsored Organization will assist Fiscal Sponsor by providing the information and reports that it requests.

## Financial Sponsorship Agreement

7. Fiscal Sponsor will select, employ and/or enter into consultant contracts with, and supervise all persons who perform compensated services on the Project, on such terms and conditions as Fiscal Sponsor shall determine. Fiscal Sponsor will be responsible for all income ~~and payroll~~ tax withholding and reporting.
8. Fiscal Sponsor will maintain Project funds in one or more bank accounts, which may include other Fiscal Sponsor funds. Any authorized representative of Sponsored Organization may request a payment or withdrawal of Project funds consistent with the Project budget approved by Fiscal Sponsor. **Attached to this Agreement as Appendix A, and made a part hereof, is a description of Fiscal Sponsor's expense authorization and check writing procedures, including expense documentation requirements, e.g. information on name of payee, amount of check, purpose of check, funding source for payment, and an original invoice, contract, receipt, or other evidence of amount owed.** Fiscal Sponsor will make a good faith effort to promptly make payments or withdrawals upon receipt of proper authorization and documentation. Sponsored Organization will promptly reimburse Fiscal Sponsor for any amounts improperly expended by Sponsored Organization.
9. Fiscal Sponsor will keep and maintain accurate, complete, and separate Project records in accordance with generally accepted accounting principles, showing all Project assets, liabilities, income, and expenditures. Fiscal Sponsor will prepare a (monthly) (quarterly) and a fiscal year-end Project balance sheet and income/expense statement for delivery to Sponsored Organization within thirty (30) days after the close of the period. Sponsored Organization, through its authorized representatives, may inspect any Project records at any reasonable time with the consent of Fiscal Sponsor, which consent will not be unreasonably withheld. Fiscal Sponsor, through its authorized representatives, may inspect any Project records held by Sponsored Organization, and may require Sponsored Organization to turn over any such records.
10. **Fiscal Sponsor will maintain a policy of comprehensive general liability insurance of at least \$1 million in coverage, and such other bonding and liability insurance, including but not limited to unemployment and workers' compensation insurance, required by law or usual and customary with respect to the conduct of its activities, in amounts which it has determined are reasonably adequate. All such insurance shall cover the Project activities, if such coverage is available.**
11. For the performance of its fiscal sponsor services described herein, Fiscal Sponsor shall retain for its administrative and overhead costs an amount equal to 10% of all funds received by project, or such other amount as is authorized in Project grant agreements. In addition, Fiscal Sponsor may be reimbursed for any increase in its out-of-pocket costs attributable to the performance of its fiscal sponsor services, e.g. increased insurance costs to cover Project activities, and increased audit costs for an audit of Project funds. The parties agree that all such payments are a reasonable approximation of Fiscal Sponsor's costs incurred in performing its

## Financial Sponsorship Agreement

fiscal sponsor services. All monies received by Project will be deposited directly into Fiscal Sponsor's account.

12. This Agreement contains the entire agreement of the parties, superseding any prior written or oral agreements between them on the same subject matter. Any change, modification, or waiver must be in writing and signed by both parties.
13. Fiscal Sponsor will not assign any of its obligations or duties under this Agreement without the prior written consent of Sponsored Organization, which consent will not be unreasonably withheld. This Agreement is binding upon and inures to the benefit of the successors and permitted assigns of the parties.
14. The Project will submit annual report including an accounting of funds spent during the year and an accounting of the volunteer hours expended in the effort. A projected budget for the following year will be estimated.
15. Regular communication between the Fiscal Sponsor and the Project representative(s) will be carried out through face to face meetings, email, and telephone contact. Such contact will at a minimum take place at the commencement of a project phase, at an interim point in the phase, and at the completion of that phase. At the point the library operation phase has begun, a monthly operational meeting will be established.
16. The Project's website will reference 'SW Trails PDX is the project fiscal sponsor'.
17. This agreement shall not encompass any activities where the Project directly pays wages or payments that can be or are construed to be wages under Federal, State, or local laws.
18. This agreement will be made available to the Underwrite for review.

The parties have caused their duly authorized representatives to execute this Agreement effective on its commencement date.

FISCAL SPONSOR

SPONSORED ORGANIZATION

\_\_\_\_\_  
BY:

\_\_\_\_\_  
BY:

DATE:

DATE: