



SWTrails PDX Fiscal Sponsorship Agreement

This is an agreement made on 09/22/2024, by and between the Sponsor, SW Trails PDX, and the Project, Southwest Portland Tool Library.

This is an agreement made on 09/22/2024, by and between SW Trails PDX, also referenced as sponsors and Jason Bergstrom, Principle of the Southwest Portland Tool Library, also referred to as the Project in this document.

The Sponsor: SW Trails PDX is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"). It is formed for the purposes of promoting walkability in Portland and the preservation of trails.

The Project: Southwest Portland Tool Library Project is an unincorporated organization formed for the purposes of Lending tools to individuals in SW/NW/S Portland.

The Agreement: The Sponsor is willing to receive tax-deductible charitable contributions for the benefit and use of implementing the Project. The Project, with the administrative assistance of the Sponsor, desires to use these funds in order to implement the Project's purposes.

By entering into this Agreement, the parties agree to the following terms and conditions:

1. **Receipt of funds:** The Sponsor agrees to receive grants, contributions, and gifts to be used for the Project, and to make those funds available to the Project.
2. **Acknowledgment of charitable donations on behalf of the Project:** The Sponsor agrees that all grants, charitable contributions, and gifts which it



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receives for the Project will be reported as contributions to the Sponsor as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. The Sponsor agrees to notify the Project of any change in its tax-exempt status.

3. **Fiscal Management Fees:** Each fund established to be managed by Sponsor shall be considered a separate Project. For each fund, the Sponsor shall be paid a 10% fiscal management fee assessed on all additions to the fund whether by transfer or fund raising. This fee will be assessed at the time of fund receipt. Each fund shall be charged a minimum annual maintenance fee of \$30 on Jan 1 of each year. The fee shall be waived on the first \$300 of new additions to the fund. In the event the Project seeks to transfer their current balances from the Sponsor account to another 501©3 Sponsor, the amount payable shall be determined by dividing the current balance by (1-the incoming fiscal management fee). For example, the Project transferred \$1000 into Sponsor's accounts. A \$100 fee will be deducted with the remaining Project balance of \$900. If the Project then decided to move the funds to another sponsor the amount to be paid to the Project by the Sponsor would be $\$900/(1-.10)=\1000 . All reports prepared by the Sponsor will only reflect the net amount of funds available to the Project. Any interest earned on the Project's balance will be recorded as an additional management contribution to the Sponsor.



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4. **Protection of tax-exempt status:** The Project agrees not to use funds received from the Sponsor in any way which would jeopardize the tax-exempt status of the Sponsor. The Project agrees to comply with any written request by the Sponsor that it cease activities which might jeopardize the Sponsor's tax status, and further agrees that the Sponsor's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the Sponsor before implementation. The Sponsor retains the right, if the Project breaches this Agreement, or if the Project jeopardizes the Sponsor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
5. **Use of funds:** The Sponsor also authorizes the Project to make expenditures, which do not exceed total net contributions for the Project, on its behalf for use in the Project. The Project agrees to use any and all funds received from the Sponsor solely for legitimate expenses of the Project and to account fully to the Sponsor for the disbursement of these funds. On behalf of and with its funds, the Sponsor will pay for the Project's direct expenses. The Sponsor will obtain authorization from the Project to pay these expenses using the Project's funds.
6. **Financial procedures:** The Project must act within the Sponsor's Financial policies. Subjects of particular



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interest to the Project include: Cash Disbursements, Purchasing, Travel and Expenses, Consultants, Grants and Contracts, and Other direct expenses charged to the project.

7. **Financial accounting and reporting:** The Sponsor will maintain books and financial records for the Project in accordance with generally accepted accounting principles. The Project's revenue and expenses shall be separately classed in the books of the Sponsor.
8. **Employment:** Unless otherwise agreed in writing, and subject to their consent, all personnel to be compensated for working on the Project shall be independent contractors and provide suitable business identification documentation (IRS number not a SS#).
9. **Governance:** Authority to manage the programmatic activities of the Project is delegated to its Fiscal Sponsorship Steering Committee, subject at all times to the ultimate direction and control of the Sponsor's Board of Directors.
10. **Fundraising:** The Project may solicit gifts, contributions, and grants on behalf of the Sponsor which are earmarked for the activities of the Project. The Project's choice of funding sources to be approached and the text of the Project's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the Sponsor. The Sponsor's President or designee must co-sign all



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original letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be executed by the Sponsor. The cost of any reports or other compliance measures required by such funding sources shall be borne by the Project. The Sponsor must be copied at least one week in advance on all progress and final report submissions. The Sponsor shall be responsible for the processing and acknowledgment of all monies received for the project, which shall be reported as the income of the Sponsor for both tax purposes and for purposes of the Sponsor's financial statements. Grants involving government or public agency monies have substantial reporting and auditing requirements; therefore, if the Project desires to apply for government or public agency grants, the Project must get advance approval to do so from the Sponsor.

11. **Renewal of this agreement:** If both the Sponsor and Project desire to do so, this agreement may be renewed on September 22, 2024 (Month, Day, Year if/as appropriate), and annually thereafter.
12. **Termination:** Either party may terminate this Agreement by giving 60 days' written notice to the other party. If the Project will continue to exist but one of the parties desires to terminate the Sponsor's fiscal sponsorship of the Project, the following terms and conditions shall apply. Another nonprofit corporation which is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section



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509(a) must be willing and able to sponsor the Project (the "Successor"). The Successor must be approved in writing by both parties by the end of the 60-day written notice period. If the parties cannot agree on a Successor to sponsor the Project, the Project shall have an additional 60 days to find a Successor willing and able to sponsor the Project. If a Successor is found, the balance of assets held by the Sponsor for the Project, together with any other assets held or liabilities incurred by the Sponsor in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If the Project has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code no later than the end of the notice period or any extension thereof. If no Successor is found, the Sponsor may allocate the Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

This Agreement will remain in force until the stated end of the project on _____ (date) or it is terminated with 60 days written notice by either the Sponsor or the Project, whichever date is sooner.



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By signing below, both parties agree to execute this Agreement on the day and year first written above.

Sponsor

By: DEBORAH SMALL Date: 9-22-24
President
Deborah R. Small

By: Joe Fran Date: 9/22/24
Chair, Fiscal Sponsorship Steering Committee

Project

By: Jason Bergstrom Date: 09/22/2024
Principle
Jason Bergstrom