FISCAL SPONSORSHIP AGREEMENT

The Sponsor: The Sponsor is Appalachia-Science in the Public Interest, 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 purposes, which include education and demonstration of:

The Project: The Project (include name) is an unincorporated organization formed for the purposes of:

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

The Project designates ______________________ (name) to act as the Project Administrator (authorizing official). The Project Administrator shall act as principal coordinator of the Project's daily business with the Fiscal Sponsor, and will be the sole authority to sign all Project disbursement requests.

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.

This is an agreement made on __________date, by and between the Sponsor and the Project.

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. The Project will provide all information and prepare all reports, including interim and final reports, required by funding organizations. It is the responsibility of the Project Administrator to ensure funding contracts and obligations are met. Any funding obligations or requirements must be submitted to the Sponsor prior to receiving the funds. Any changes in the purpose for which grant funds are spent must be approved in writing by the Sponsor before implementation.

2. Acknowledgment of charitable donations: The Sponsor agrees that all grants, charitable contributions and gifts which it receives for the Project will be reported as contributions to the Sponsor as required by law. The Sponsor will inform the Project administrator of funds received within 15 business days. The Project administrator is responsible for acknowledging receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of the Sponsor’s 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. Protection of tax-exempt status: The Project agrees not to use funds received from funders 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. 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 to be returned to the funding agency.

4. Use of funds: The Sponsor authorizes the Project to make expenditures, which do not exceed total contributions and funding for the Project, for use in the Project. If the Project’s classed account should go to zero, the Sponsor will cease dispersing payments until the classed account receives funds. It is the duty of the Project Administrator to account fully to the funding agencies for the use of received funds. The Sponsor is responsible for the disbursement of these funds, when notified in writing by the Project Administrator, to make payments for the Project expenses. On behalf of and with Project funds, the Sponsor will issue checks.
to Project employees for the Project’s direct expenses like salary and benefits for Project staff, computers, utilities, supplies, and travel and meeting expenses. The Sponsor will not issue payments without authorization from the Project Administrator to pay these expenses using the Project’s funds.


6. Reimbursement for land use, office space and/or administrative support: In addition to serving as fiscal sponsor for the Project, the Sponsor will provide limited office space and administrative support on an “as needed” basis to the Project. The Project will reimburse the Sponsor for office and administrative costs. Facilities, rent, telephone, internet access, access to copy and fax machines, supplies, postage, printing, and long distance telephone use are subject to a separate fee to be negotiated by the Sponsor and Project Administrator in a separate agreement. All amounts deposited into a Project's Account will be used in its support, less administrative charges, and subject to the conditions set forth below.

The administrative fee (class accounting, payroll, funds distribution) is 8%, unless otherwise negotiated in writing. The fee is taken from each cash, check or credit card deposit. The minimum monthly fee for administrative support is $500. If the percentage fee does meet the minimum monthly fee, the Project shall be responsible for the difference. The Sponsor will inform the Project of the terms and fees on the first day of each annual quarter.

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 one class, in the books of the Sponsor. The Sponsor will provide reports reflecting revenue and expenses to the Project on a monthly basis, within two weeks after the end of each month, and, on an annual basis, within three months after the end of each fiscal year of the Sponsor. The Project administrator is responsible for the Project Budget, and tracking expenses for each Project grant and contract. The Project will notify the Sponsor with any errors with one week of receipt of monthly account reporting.

8. Employment: Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Project shall be at-will employees of the Sponsor and subject to the same personnel policies and benefits that apply to all employees of the Sponsor. Project employees (W4) are limited to 3 per project; Project contractors (more than $600/year) are limited to 5.

9. Governance: Authority to manage the programmatic activities of the Project is delegated to its Project Administrator and 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. Copies of the Project’s text of the Project’s letters of inquiry, grant applications, and other fundraising materials must be submitted to the Sponsor to keep on file. If the Sponsor’s Executive Director must co-sign original letters of inquiry, grant proposals, and grant agreements, the Sponsor’s Executive Director must be copied at least one week in advance. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be executed by the Project. The cost of any reports or other compliance measures required by such funding sources shall be borne by the Project. 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’s Director or Board.
11. Renewal of this agreement: If both the Sponsor and Project desire to do so, this agreement may be renewed on _____________ 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 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.

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

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<th>Sponsor</th>
<th>Project</th>
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<td>Appalachia- Science in the Public Interest</td>
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<td>By:</td>
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<td>Executive Director (if applicable)</td>
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<td>Chair, Board of Directors</td>
<td>Chair, Project Steering Committee</td>
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