

FISCAL SPONSORSHIP AGREEMENT

Initials: _____ / _____

This Agreement is made by and among **XXXXX Coordinating Committee**, (Committee), **XXXXXXXXXX** (the Project) and the Urbana-Champaign Independent Media Center Foundation (UCIMC). The UCIMC is an Illinois nonprofit public benefit corporation located in Urbana, Illinois, qualified as exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code (IRC) and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1) (A)(vi).

RECITALS

A. The UCIMC's Finance Committee has approved the establishment of a restricted fund to receive donations of cash and other property earmarked for support of the Project known as **XXXXXXXXXX** and to make disbursements in furtherance of the Project's mission. The UCIMC's treasurer is the individual volunteer who is expected to manage the financial affairs of the Project. Currently, the principal office of the Project is **located at:**

XXXXXXXXXXXXXXXXXXXX XXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

B. The UCIMC desires to act as the fiscal sponsor of the Project, by receiving assets and incurring liabilities identified with the Project beginning on the effective date, and using them to pursue the objectives for which the Project is being established, which the UCIMC's Treasurer has determined will further the charitable and educational goals of UCIMC. The Committee desires to manage the Project under the sponsorship of the UCIMC.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Term of Agreement. On **XXXXXXXX XX, 20XX** (the effective date), the UCIMC shall assume operation of the Project, which operation shall continue in effect unless and until terminated under Paragraph 5 below.

2. Project Activities and Sponsorship Policies. All community programs, public information work, fundraising events, processing and acknowledgment of cash and non-cash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of Project funds (including grants), and other activities planned by the Project shall be the ultimate responsibility of the UCIMC and shall be conducted in the name of the UCIMC, beginning on the effective date. Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Project shall become at-will employees of the UCIMC on the effective date and shall be subject to the same personnel policies and benefits as are required by law to apply to all employees of the UCIMC. Unless otherwise agreed, any tangible or intangible property, including copyrights, obtained or created in connection with the Project shall be the property of the UCIMC while this Agreement is in effect. Authority to manage the program activities of the Project is delegated to the Committee, subject at all times to the direction and control of the UCIMC's Finance Working Group and the ultimate direction and control of the UCIMC's Board of Directors. The Committee shall abide by the Sponsorship Policies of the UCIMC, which may be amended from time to time with the consent of the Committee and which include administrative fees **of 10%** to be paid to the general fund of the UCIMC from the restricted fund described in Paragraphs 3 and 4 below.

3. Restricted Fund/Variance Power. Beginning on the effective date, the UCIMC shall place all gifts, grants, contributions, and other revenues received by the UCIMC and identified with the Project into a restricted fund to be used for the sole benefit of the Project's mission as that mission may be defined by the Committee from time to time with the approval of the UCIMC. The UCIMC retains the unilateral right to spend such funds so as to accomplish the purposes of the Project as nearly as possible within the UCIMC's sole judgment, subject to any donor-imposed restrictions, as to purpose, on the charitable use of such assets. The parties agree that all money, and the fair market value of all property, in the restricted fund be reported as the income of the UCIMC, for both tax purposes and for purposes of the UCIMC's financial statements. It is the intent of the parties that this Agreement be interpreted to provide the UCIMC with variance powers necessary to enable the UCIMC to treat the restricted fund as the UCIMC's asset in accordance with Interpretation No. 42 of Statement No. 116 issued by the Financial Accounting Standards Board, while this Agreement is in effect.

4. Restricted Fund Management / Performance of Charitable Purposes. All of the assets received by the UCIMC under the terms of this Agreement shall be devoted to the purposes of the Project, within the tax-exempt purposes of the UCIMC. No item of revenue shall be earmarked for use in any attempt to influence legislation within the meaning of IRC Section 501(c)(3); no agreement, oral or written, to that effect shall be made between the UCIMC and any revenue source. The UCIMC shall not use any portion of the assets to participate or intervene in any political campaign on behalf 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).

5. Termination. This Agreement shall terminate when the objectives of the Project can no longer reasonably be accomplished by the UCIMC. If the objectives of the Project can still be accomplished but either the Committee or the UCIMC desires to terminate the UCIMC's fiscal sponsorship of the Project, the following understandings shall apply. Either the UCIMC or the Committee may terminate this Agreement on 60 days' written notice to the other party, so long as 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) (a Successor), is willing and able to sponsor the Project and is approved in writing by both parties by the end of the 60-day period. If the parties cannot agree on a Successor to sponsor the Project, the Committee 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 in the UCIMC's restricted fund for the Project, together with any other assets held or liabilities incurred by the UCIMC 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 that may be required. If the Project has formed a new organization qualified as 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, indicating that such qualifications have been met, no later than the end of the notice period or any extension thereof. If no Successor is found, the UCIMC may dispose of the Project assets and liabilities in any manner consistent with applicable tax and charitable trust laws. Either party to this Agreement may terminate this Agreement, based upon a material breach of this Agreement by the other party, by giving 30 days' written notice to the other party.

6. Miscellaneous. In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs of sustaining its position. Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois. Time is of the essence of this Agreement and of each and every provision hereof.

7. Arbitration. In the event of any dispute under this Agreement, the parties shall attempt to resolve the matter themselves in an amicable manner. Failing such resolution, any dispute under this Agreement shall be resolved by binding arbitration in Urbana in accordance with commercial arbitration rules of the Judicial Arbitration and Mediation Services (JAMS) then in effect, or any other rules mutually agreed to by the parties. Any award or order made in any such arbitration may be entered as a judgment in a court of competent jurisdiction. Any dispute, and the resolution thereof in any manner, shall be and remain confidential information, and all parties shall protect the confidential information from public disclosure, using any and all reasonable legal and technical means.

8. Entire Agreement. This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in writing and signed by all parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement effective on the XXth day of XXXXXXXXX, 20XX.

By: _____ **XXXXXX XXXXXX (Treasurer, Urbana-Champaign IMC)** Dated: _____

By: _____ **XXXXX XXXXXXXX (Liaison, XXXXX Project)** Dated: _____