



Violet Torch Foundation (VTF) is an independent 501(c)(3) charitable organization. VTF is committed to awarding grants and scholarships to organizations with programs that promote economic development, educational development, and physical & mental health initiatives. Visit [www.violettorch.org](http://www.violettorch.org) for more information about VTF.

**FISCAL SPONSORSHIP AGREEMENT**

This Fiscal Sponsorship Agreement (“Agreement”) is entered into by and between **Westchester Deltas, Inc. dba Violet Torch Foundation** (“Sponsor” – “VTF”) located at c/o P.O. Box 1021, White Plains, NY 10602 and \_\_\_\_\_ (“Sponsoree” – “\_\_\_\_\_”) located at \_\_\_\_\_  
\_\_\_\_\_. Collectively referred to herein as the “Parties”.

This Agreement shall be effective as set out below in Section 1.

**RECITALS**

- A. VTF has an Internal Revenue Service (“IRS”) determination letter of qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and is classified as a public charity under Code Section 170 (b) (1) (A) (vi). VTF’s EIN is 13-4199899.
- B. VTF is exempt from New York State sales tax and has been issued an exempt organization certificate (ST-119) by the New York State Department of Taxation and Finance. As a result, VTF has been issued a New York State sales tax exemption number which allows VTF to be exempt from New York State sales tax upon submission of the Exempt Purchase Certificate ST-119.1 to vendors for qualified purchases.
- C. \_\_\_\_\_ is a private, not-for-profit organization classified as \_\_\_\_\_ of the Code and does not have an IRS determination letter of qualification under Section 501(c)(3) of the Code. \_\_\_\_\_’s purposes include \_\_\_\_\_.  
\_\_\_\_\_’s EIN# is \_\_\_\_\_.
- D. In furtherance of its charitable purposes, \_\_\_\_\_ periodically operates fundraisers and community service programs (“Projects”) to support its college scholarship fund and community outreach initiatives (“Funded Programs”).

- E. \_\_\_\_\_ desires to have VTF act as its fiscal sponsor for the purpose of soliciting and receiving gifts, grants, contributions and other revenues (collectively, “donations”) and distributing such funds to \_\_\_\_\_, subject to VTF’s oversight, to be used exclusively in support of its Funded Programs.
- F. \_\_\_\_\_ desires to have VTF act as its fiscal sponsor for the additional purpose of making qualified New York State sales tax exempt purchases for the benefit of the Project.
- G. \_\_\_\_\_ has submitted a Fiscal Sponsorship Application (“Application”) describing the Project and its Funded Program purpose(s) to the VTF board of directors for consideration.
- H. VTF’s board of directors has determined that the Funded Program furthers VTF’s charitable goals and tax-exempt purposes and has authorized VTF to enter into this fiscal sponsorship agreement for the Project. The approved Application is made part of this Agreement and attached hereto as Exhibit A.
- I. \_\_\_\_\_ can submit additional Applications for Projects which support its Funded Program purposes as they may arise during the term of this Agreement. Approved Applications will be attached hereto and made part of this Agreement and marked as Exhibit B, Exhibit C, etc.

**NOW, THEREFORE,** the parties hereby agree as follows:

**1. Term**

- 1.1. This Agreement will be for a period of one (1) year beginning on July 1, 2017 and ending on June 30, 2018 (“Term”).

**2. Fiscal Sponsorship**

**2.1 Relationship of the Parties**

- a. VTF’s relationship to \_\_\_\_\_ shall be that of a fiscal sponsor. Nothing in this Agreement shall constitute naming \_\_\_\_\_ as an agent or legal representative of VTF for any purpose whatsoever. This Agreement does not constitute a contract of employment between VTF and any individual. This Agreement shall not be deemed to create any relationship of agency, partnership or joint venture between \_\_\_\_\_ and VTF in relation to each other or the Project and no party shall make such representation.

- b. \_\_\_\_\_ is an independent contractor, and not an employee, or joint venturer of, or with VTF. VTF shall not withhold on behalf of \_\_\_\_\_ any sums of income tax, unemployment insurance, social security, or any other withholding or benefit.

## **2.2 Project Activities**

VTF hereby agrees to act as the fiscal sponsor for the Project. \_\_\_\_\_'s assigns shall act as principal coordinators of the Project. It is not VTF's intention to interfere with \_\_\_\_\_'s development and content of the Project, as except otherwise may be restricted by contract or law. VTF retains oversight authority to ensure that the funds disbursed by VTF to \_\_\_\_\_ in support of the Project are used for the intended charitable purposes and in accordance with the terms hereof and as described on the Application, which is attached hereto and made part of this Agreement.

## **2.3 Tax-Exempt Purposes**

Project shall be operated in a manner consistent with VTF's tax-exempt status and as described by \_\_\_\_\_ on the Application. No substantive changes in the purposes or activities of the Project shall be made without the prior written consent from VTF, nor shall \_\_\_\_\_ carry on activities or use funds in relation to the Project that in any way jeopardizes VTF's tax-exempt status. \_\_\_\_\_ agrees to comply with any written request by VTF to cease activities that, in VTF's reasonable judgment, might jeopardize the tax-exempt status of VTF, and further agrees that VTF's obligation to make funds available to \_\_\_\_\_ is suspended in the event that it fails to comply with any such request.

## 2.4 Tax-Exempt Purchases

- a. \_\_\_\_\_ may request a single purchase Exempt Purchase Certificate (ST-119.1) from VTF to make qualified purchases for the Project from the vendor named on the ST-119.1. Further, \_\_\_\_\_ acknowledges that the ST-119.1 is a double-sided form and must comply with and submit both pages to vendors. The invoice remittance address must state \_\_\_\_\_ c/o VTF (as fiscal sponsor), P.O. Box 1021, White Plains, NY 10602.

Restrictions of the ST-119.1, include, but are not limited to:

- \_\_\_\_\_ may not use the certificate to make personal purchases.
  - Only VTF may use the certificate.
  - Personal funds cannot be used on behalf of \_\_\_\_\_ or VTF, even if the person will be reimbursed. These purchases are taxable.
- b. \_\_\_\_\_ is not allowed to use previously submitted form ST-119.1s and must submit a new form to vendors dated within the Term of this Agreement.

## 2.5 Receipt and Disbursement of Funds

In connection with its fiscal sponsorship of the Project, VTF agrees to receive donations that are designated as made in support of the Project. VTF anticipates granting Project funds, in furtherance of the Project (less any administrative fee outlined below).

## 2.6 Substantiation of Charitable Donations

VTF agrees that all Project funds will be reported for federal tax purposes as contributions to \_\_\_\_\_ and further agrees to acknowledge receipt of Project funds in writing to donors, as required under federal tax law, and to furnish evidence of VTF's status as an organization qualified under Section 501(c)(3) of the Internal Revenue Code to donors upon request.

## 2.7 Administrative Fee

VTF will retain an administrative fee to cover costs associated with management of the Project funds and other administrative expenses associated with this Agreement as outlined in Section 6.

## **2.8 Intellectual Property Rights**

All right(s) and title to intellectual property ownership interests in the Project shall belong to \_\_\_\_\_. \_\_\_\_\_ represents to VTF that it is the owner of all intellectual and other property rights with respect to the Project and/or shall obtain necessary permission or clearances to use such materials.

## **2.9 Prohibited Activities**

\_\_\_\_\_ shall not, and not permit the Project to, attempt to influence legislation or participate or intervene in any political campaign on behalf of or in position to any candidate for public office or otherwise engage in the carrying on of propaganda within the meaning of the most recent version of 501(c)(3) of the Internal Revenue Code.

## **2.10 Project Reporting Requirements**

After signing this Agreement, and typically on a monthly basis thereafter while the Agreement is in effect, \_\_\_\_\_ will submit to VTF a brief progress report describing the tasks and responsibilities related to implementation of the Project.

## **2.11 Financial Accounting and Reporting**

The Parties will maintain books and financial records for the Project and Project proceeds in accordance with generally accepted accounting principles, shall retain records as long as required by law and shall make records available to auditors as required by law. \_\_\_\_\_ will reflect the proceeds from the Project, to the extent required, on its state and federal tax returns and financial reports. All final disbursements of proceeds from the Project fund shall be made payable to \_\_\_\_\_.

# **3. Fundraising**

## **3.1 Solicitation of Gifts, Contributions and Grants**

\_\_\_\_\_ may solicit gifts, contributions, and grants on behalf of the Project. \_\_\_\_\_ must inform VTF of potential contributors and receive approval from VTF before submitting requests for funding. \_\_\_\_\_ may prepare fundraising materials subject to prior approval by VTF, and must allow a minimum of two weeks for VTF to review fundraising materials and requests for funding prior to submission. Upon timely request by \_\_\_\_\_, VTF will make a letter available to potential contributors that explains the relationship between the Project and VTF.

### 3.2 Grant Reporting Requirements

If \_\_\_\_\_ procures a grant that is made payable to VTF for benefit of the Project:

- a. \_\_\_\_\_ will provide VTF with copies of all correspondence, contracts, and other associated documents relating to grants, loans, and contributions to be made payable to VTF on behalf of the Project.
- b. \_\_\_\_\_ shall prepare all interim and final reports as required by the funders of the Project. \_\_\_\_\_ shall prepare all interim and final reports to VTF for review and approval at least two weeks prior to the due date. VTF will submit approved interim and final reports to funders.

## 4. Publicity

- 4.1 VTF will recognize the Project as a fiscally sponsored Project publicly.
- 4.2 \_\_\_\_\_ will give proper credit to VTF on any electronic, printed or published materials relating to the Project. Language must include that "Violet Torch Foundation (VTF) is serving as the fiscal sponsor of [enter PROJECT name]. VTF is a 501(c)(3) tax-exempt charitable organization committed to awarding grants and scholarships to individuals and organizations with programs that promote economic development, educational development and physical and mental health initiatives. Visit [www.violettorch.org](http://www.violettorch.org) for more information". Upon reasonable notice by \_\_\_\_\_ to VTF, VTF will supply the publicity language to \_\_\_\_\_ for inclusion on the Project publicity materials.
- 4.3 Publicity which does not carry the proper language shall be deemed unacceptable and VTF, in its sole discretion, may edit, classify, or reject at any time any advertising copy, including wording, illustrations and typography.
- 4.4 \_\_\_\_\_ shall provide VTF with reasonable advanced written notice with respect to any proposed use of all print, web, and email-based publicity materials that mention VTF for its review and approval prior to their publication and distribution.

## 5. Financial Services and Financial Reporting Requirements

- 5.1 \_\_\_\_\_ will turn over or cause to be turned over to VTF any contracts that it enters into related to the Project.
- 5.2 \_\_\_\_\_ will turn over or cause to be turned over to VTF any funds that it may receive or collect in relation to the Project.
- 5.3 VTF will deposit and track all funds received for the Project under the name of the Project ("Project Fund"). VTF will disburse monies from the Project Fund only as instructed in writing by \_\_\_\_\_ and only as authorized by this Agreement. Disbursements will be restricted to the implementation and operation of the Project and as may be otherwise provided herein.
- 5.4 VTF will maintain segregated and properly designated financial records for the funds received and disbursed by VTF on behalf of the Project, according to generally accepted accounting principles, retain records as long as required by law, and make records available to auditors as required by law.
- 5.5 VTF will disburse funds only as required by fully executed vendor contracts or requested in writing on properly filled-out payment vouchers provided by VTF, accompanied by required documentation, and only as authorized by this Agreement. Disbursements will be restricted to the support and implementation of the Project. Documentation must include specific reference to the Project.
- 5.6 Project shall not maintain a negative balance in its account(s) at any time. VTF reserves the right to suspend financial activity or to stop payment of outstanding checks if there are insufficient funds.
- 5.7 VTF will reflect the activities of the Project to the extent required on its New York State and federal government tax returns and financial reports.
- 5.8 All disbursements from the Project Fund shall be treated as payments made to or on behalf of \_\_\_\_\_ to accomplish the purpose of the Project. Each year VTF will prepare and file the applicable state and federal forms reflecting all payments from the Project Fund as payments to \_\_\_\_\_. \_\_\_\_\_ will provide VTF with proper documentation to accomplish this, including \_\_\_\_\_'s federal employer identification number. \_\_\_\_\_ is responsible for the tax implications, if any, of receiving these monies.

- 5.9 Except to the extent specifically set forth in this Agreement, VTF shall have no responsibility to prepare or file any returns or reports with any governmental agency with respect to the activities of the Project or \_\_\_\_\_. Specifically, \_\_\_\_\_ is responsible for reflecting the activities of the Project on the applicable federal, state, and local tax returns.
- 5.10 a. Commencing ninety (90) days prior to the effective date of the Project, VTF will submit to \_\_\_\_\_ an interim financial report of income, expenses, net profit or loss related to the Project. Said interim report will be updated on a bi-weekly basis.
- b. Within sixty (60) days of the conclusion of the Project, but no later than the end of the Term, VTF will submit to \_\_\_\_\_ a final financial report of income, expenses, net profit or loss related to the Project.
- 5.11 Within sixty (60) days of the conclusion of the Project, but no later than the end of the Term, VTF will remit payment of the Project Fund net proceeds, if any, to \_\_\_\_\_ via check, subject to Section 5.12.
- 5.12 a. VTF agrees to exercise due diligence in assuring that Project fund net proceeds are used for the charitable purposes as outlined in the approved Application.
- b. VTF requires that \_\_\_\_\_ complete the VTF Fiscal Sponsorship Net Proceeds Reporting Form ("Reporting Form") which details the use of the Project Fund net proceeds remitted to \_\_\_\_\_ on or after May 1, 2017.
- c. VTF will furnish \_\_\_\_\_ with the Reporting Form by October 15<sup>th</sup> of the Term.
- d. \_\_\_\_\_ agrees to complete and submit the Reporting Form to VTF on a semi-annual basis, no later than December 31<sup>st</sup> and June 30<sup>th</sup> of the Term.
- e. VTF reserves the right to suspend payment of Project Fund net proceeds to \_\_\_\_\_ under this Agreement until \_\_\_\_\_ has submitted the Reporting Form.



**6. Fees, Charges and Expenses**

\_\_\_\_\_ will pay the following fees, charges and expenses:

6.1 \_\_\_\_\_ shall pay a start-up fee of \$100.00 (one-hundred dollars) upon signing this Agreement, unless waived herein. The start-up fee of \$100.00 has been waived.

6.2 VTF shall retain a percentage of all funds deposited in the Project Fund as an administrative fee. The fee shall be calculated against the gross amount of all funds deposited in the Project Fund, according to the following schedule:

PERCENTAGE	GROSS INCOME	ADMINISTRATIVE FEE
5%	\$0 - \$5,000	\$0 - \$250
4%	\$5,001 - \$50,000	\$200 - \$2,000
3%	\$50,001 - \$100,000	\$1,500 - \$3,000
2%	\$100,001 - \$200,000	\$2,000 - \$4,000
1%	\$200,001+	\$2,000+

6.3 VTF will retain all interest earned on the Project Fund.

6.4 VTF will charge \_\_\_\_\_ or the Project Fund directly for any liabilities or direct expenses it incurs on behalf of the Project, including but not limited to liability insurance, bank charges and postage fees.

6.5 VTF will have no right to deduct administrative fees from money not coming into the Project Fund. Fees and charges only apply to money received directly by VTF. \_\_\_\_\_ agrees to act in good faith and make payable to VTF any funds made payable to \_\_\_\_\_ that it may receive for benefit of the Project prior to the conclusion of the Project.

**7. Liability, Indemnification and Insurance**

7.1 \_\_\_\_\_ is liable for all debts and obligations authorized by \_\_\_\_\_ or incurred in good faith by VTF on behalf of the Project during the term of this Agreement.

7.2 \_\_\_\_\_ irrevocably and unconditionally agrees, to the fullest extent provided by law, to defend, indemnify, release, and hold harmless VTF, its agents, employees, officers, directors, successors and assigns, from and against any and all claims, loss, damage, and liability, however caused, including reasonable attorney's fees, resulting from or arising out of, wholly or in part: (a) the Project, including, but not limited to, \_\_\_\_\_'s failure to perform in a timely manner, regardless of whether such failure was caused by intentional or negligent acts or omissions of VTF or a third party, (b) any act or omission of \_\_\_\_\_, its agents, vendors, subcontractors, members or employees; and (c) any claim that any materials used by \_\_\_\_\_ infringe any intellectual property rights or other rights of any third party.

7.3 \_\_\_\_\_ shall cause the Project to obtain such liability insurance as the Project or VTF may require and shall, upon VTF's request, cause any such policy to specify VTF as a named insured under the policy. If \_\_\_\_\_ cannot or does not procure the requisite liability insurance for the Project at least forty-five (45) days prior to Project date, VTF will procure the requisite insurance naming \_\_\_\_\_ and other required parties to the Project as additional insureds and charge the Project Fund for the cost of the premium.

## **8. Project Cancellation & Cancellation Fee**

8.1 \_\_\_\_\_ can cancel the Project at any time upon written notice to VTF with the following penalties, if any, as outlined below. Cancellation of the Project will not annul any obligations incurred prior to the date of cancellation.

- a. If no Project Funds have been deposited into the Project Fund account, there is no financial penalty.
- b. If Project Funds have been deposited into the Project Fund account, VTF will retain 50% of the administrative fee due on the Project Fund gross income at the time of cancellation pursuant to the administrative fee schedule outlined in Section 6 of this Agreement or \$100.00 (one-hundred dollars), whichever is greater.
- c. \_\_\_\_\_ agrees to be responsible for any and all costs and expenses associated with or are due and owing for the benefit of the Project at the time of cancellation, including, but not limited to vendor payments and postage costs.

- d. \_\_\_\_\_ agrees to reimburse the Project Fund for any expenditures made at the time of cancellation or due and owing subsequent to the cancellation so that full refunds can be issued to the donors within 14 days of cancellation date.

## 9. Termination

- 9.1 This Agreement will terminate at the end of the Term stated in Section 1.1.
- 9.2 Either party may terminate this Agreement without cause by giving thirty (30) days' written notice to the other party.
- 9.3 This Agreement will be subject to periodic review and will terminate if any of the following occurs:
  - a. VTF requests that \_\_\_\_\_ cease activities that it deems might jeopardize its tax-exempt status, and the \_\_\_\_\_ fails to comply within a reasonable period as determined by VTF.
  - b. \_\_\_\_\_ fails to perform or observe any other covenant of this Agreement, where such failure continues after a reasonable period as determined by VTF.
- 9.4 Termination of the Agreement will not annul any obligations incurred prior to the date of termination. \_\_\_\_\_ will be responsible for fulfilling all the requirements entered into under this Agreement, including but not limited to progress and final reports.
- 9.5 In the event this Agreement is terminated before the conclusion of the Project, the Project will deemed to have been cancelled and section 8.1 will apply.

## 10. Notices

- 10.1 All notices or reports under this Agreement shall be addressed as follows:

**If to VTF:**

Email: [president@violettorch.org](mailto:president@violettorch.org) with a cc to: [treasurer@violettorch.org](mailto:treasurer@violettorch.org)

Physical Address: Violet Torch Foundation, P.O. Box 1021, White Plains, NY 10602

Attn: President/Treasurer

If to \_\_\_\_\_:

Email: \_\_\_\_\_ with a cc to: \_\_\_\_\_

Physical Address: \_\_\_\_\_,  
\_\_\_\_\_

Attn: \_\_\_\_\_

- 10.2 Such addresses may be changed by written notice or email notice given by such party to the other or by other form of notice agreed to by the Parties.

## 11. Miscellaneous Provisions

### 11.1 Entire Agreement

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof; it supersedes any prior agreement and understanding between the parties as to such matters, oral or written, all of which are hereby cancelled.

### 11.2 Amendments

This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

### 11.3 Dispute Resolution

In the event of a dispute under this Agreement, the parties shall make a good faith effort to resolve such dispute cooperatively before seeking to resolve any dispute by arbitration or otherwise proceeding with any remedy available at law or in equity.

### 11.4 Assignment

Without the express written consent of VTF, \_\_\_\_\_ may not assign this Agreement or grant or convey any of the rights or obligations acquired pursuant to this Agreement to any third party. \_\_\_\_\_ shall not represent to any third party that it is an agent, partner, employee, or representative of VTF, nor shall \_\_\_\_\_ enter into any agreement whatsoever, that purports to bind VTF to its terms.

### 11.5 Exclusivity

This Agreement is an exclusive arrangement. \_\_\_\_\_ shall use no other fiscal sponsor for the PROJECT without prior written consent from VTF. VTF agrees to not unreasonably withhold consent.

11.6 **Severability**

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.

11.7 **Attorneys' Fees**

In the event 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.

11.8 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

**IN WITNESS WHEREOF**, the Parties have caused their duly authorized representatives to execute this Agreement effective as of the day and year set out in Section 1 of this Agreement.

\_\_\_\_\_: \_\_\_\_\_  
EIN#: \_\_\_\_\_  
By: \_\_\_\_\_  
Print Name:  
Title:  
Date:

**VTF:** **Westchester Deltas, Inc. dba Violet Torch Foundation**  
EIN#: 13-4199899  
By:  
Print Name:  
Title: President  
Date:

\_\_\_\_\_

Fiscal Sponsorship Application form can be found here: [Fiscal Sponsorship Application](#)