

**AGREEMENT TO ESTABLISH
THE _____ FUND
(a fiscal sponsorship fund at Dade Community Foundation)**

THIS AGREEMENT (the “Agreement”), is made and entered into this ___ day of August 2007 by and between _____, [a Florida not for profit corporation] [a natural person residing in the State of Florida] [having its principal office at _____] and Dade Community Foundation, Inc., a Florida not for profit corporation and community foundation (the “Foundation”), having its principal office at 200 So. Biscayne Boulevard, Suite 505, Miami, Florida 33131.

WITNESSETH:

WHEREAS, the Donor desires to create a fiscal sponsorship fund for philanthropic purposes; and

WHEREAS, the Donor may transfer additional property for such purposes;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Donor hereby irrevocably assigns, conveys, transfers, and delivers to the Foundation the assets listed on **EXHIBIT A TO HAVE AND TO HOLD** the same and all income from the foregoing property, **NEVERTHELESS** as a fiscal sponsorship fund of the Foundation, for the following uses and purposes and subject to the terms and conditions herein set forth. It is agreed and understood that the Fund will in all events be used and dedicated to a purpose permitted by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

FIRST: The fund hereby created shall be known as the _____ Fund (the “Fund”).

SECOND: This fiscal sponsorship is to fund the project described on Exhibit B (the “Project”). Exhibit B also includes a budget for the Project (the “Project Budget”). The Donor hereby designates _____ to act as its representative and contact person (the “Designated Representative”) in all communications and other dealings with the Foundation. The Donor agrees to notify the Foundation in writing if the Donor elects to designate a different individual as its Designated Representative.

THIRD: The Project shall at all times be operated consistent with the charitable status of the Foundation. All Project expenditures and operations shall be only as permitted for organizations described in Section 501(c)(3) of the Code. If at any time the Project or its operations or expenditures shall be terminated, all funds theretofore distributed to the Project and not expended shall be returned to the Foundation. The determination of the Board of Governors of the Foundation as to whether the Project and its expenditures and operations are permitted Code Section 501(c)(3) activities shall be conclusive. Exhibit C attached hereto includes a model budget for the Donor’s use in connection with any fundraising events/projects undertaken the Project (the “Project Budget”). Exhibit D attached hereto sets out the Foundation’s current policy with respect to fundraising by its component funds, which policy the Donor agrees to follow, including as the Foundation may from time to time amend such policy.

FOURTH: The Project will provide a written report to the Foundation at least annually. The report will include:

- The period covered by the report.
- An overview of the Project's status and accomplishments during the year.
- Planned activities and goals for the following year.
- A financial report, which shall include schedules of activity expenditures, a budget for the following year, and an explanation of any expenditures that vary by more than ten percent (10%) from the Project Budget.
- Certification by the Donor (or, if the Donor is an unincorporated collective donor, by the Donor's Designated Representative) and by the chief executive officer or chief financial officer of the Project (if different from the Donor) that the reported actual budget is true and correct and that, to the best of his/her knowledge, all grant money was used in a manner consistent with Code Section 501(c)(3).

FIFTH: The Project does not and shall not act as an agent for the Foundation unless specifically authorized in writing by the Foundation to do so. The Foundation will serve as the Project's fiscal sponsor. Any obligations incurred, damages or injuries caused, or misconduct committed by the Project are not the responsibility of the Foundation. End results of the Project are owned by the Project and not the Foundation.

SIXTH: Record keeping with respect to all purchases, salaries, and other expenses must be maintained by the Project.

SEVENTH: As reasonable and proper compensation for services and expenses rendered to and incurred by the Fund, and in accordance with the Foundation's rules governing organization endowment funds, the Foundation shall receive an administrative fee, which shall be taken from the Fund. The initial administrative fee shall be two percent (2%) per annum of the Fund's average balance (as defined by the Foundation's policies then in effect). In addition, a separate assessment of one percent (1%) per annum of the Fund's average balance (as defined by the Foundation's policies then in effect) shall also be taken by the Foundation from the Fund, to be contributed toward the unrestricted grantmaking funds of the Foundation.

EIGHTH: This Fiscal Sponsorship Agreement is subject to the condition that the Foundation, as of the date of transfer, is classified as being in good standing by the Internal Revenue Service as an organization (i) described in Section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in Section 509(a) of the Code.

NINTH: Except as may be expressly agreed between the Donor and the Foundation in writing, this Agreement and the activities contemplated hereunder shall be administered in and under the laws of the State of Florida, and this agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of Florida. In the event that the Donor desires to conduct a Project program or event at a location outside of the State of Florida, the Donor shall first coordinate with the Foundation in order to determine what additional legal approvals and qualifications may be required under the laws of the relevant jurisdiction(s). No program or event shall be conducted outside of Florida without the prior written approval of the Foundation.

TENTH: The Board of Governors of the Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the Board of Governors (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

IN WITNESS WHEREOF, the Donor and the Foundation have executed this Agreement as of the date first above written.

DONOR:

[CORPORATE NAME]

_____, President

FOUNDATION:

DADE COMMUNITY FOUNDATION, INC.

By: _____
Ruth Shack, President

EXHIBIT A

THE _____ FUND

\$_____ in cash or property has been contributed to the Fund.

DONOR:

[CORPORATE NAME]

_____, President

FOUNDATION:

DADE COMMUNITY FOUNDATION, INC.

By: _____
Ruth Shack, President

EXHIBIT B

THE _____ FUND

Definition of the Project

The "Project" shall _____.

EXHIBIT C

Proposed Fundraising Event/Project Budget

Prior to your fundraising event and/or project, you will need to provide Dade Community Foundation with a budget including information on the fair market value of the goods and services a donor will receive when they participate in your event/project, i.e., the value of what they will receive in return for their contribution. (For example, the fair market value of a dinner they are served.)

We recommend you provide a **proposed** budget listing the event/project anticipated revenues and expenses (including donated items to the event and their value) and the number of people in attendance. If this proposed budget is starkly different from what actually occurs, a subsequent report to the Foundation will be required listing the **actual** revenue/expenses and number of people attending and making contributions. The checks/contribution amounts deposited in your charitable fund need to correspond with the information provided. In developing the **proposed** event/project budget, we recommend the format provided below:

Expected Revenue \$ _____ **Expected Expenses** \$ _____

Net Proceeds (Revenue less Expenses) \$ _____

Number of Event/Project Participants/Donors _____

I. Please describe and list sources of event/project revenue (Attach separate sheet if necessary)

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

II. Please describe and list sources of event/project expenses (Attach separate sheet if necessary)

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

III. Please describe and list donated goods/services to your event/project and their fair market value (note: fair market value is the amount the item/service would be worth if sold to the general public in the ordinary course of trade) (Attach separate sheet if necessary)

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

IV. Will you be paying any individual for services from this fund? Yes No

If yes, whom and explain service(s) rendered:

V. Description of event/project and contribution levels. (Please detail what benefit(s) a donor receives when they contribute to your event/project.) Are there different benefits associated with different levels of contribution? What does a corporate sponsor receive for contribution and are there different benefits for corporate sponsors? (Attach separate sheet if necessary.)

A few additional points to consider

***A contribution/gift to your charitable fund is a voluntary transfer of money or property that is made with no expectation of a commensurate return. If a donor will receive a financial or economic benefit in return for making a contribution/gift (dinner and entertainment, etc.), the payment is not a tax deductible charitable contribution except to the extent that it exceeds the fair market of the benefit. Therefore, for the Foundation to properly acknowledge charitable contributions to your fund from a fundraising event, the information in the proposed/actual budget and the corresponding value assigned to the contributions will need to be provided. Without this information, the Foundation will not be able to appropriately acknowledge the donor for his/her charitable contribution to your charitable fund.*

***Items donated for your fundraising event(for example, food and/or cases of soft drinks) must be assessed at fair market value and included in the calculation determining the value of the benefit received by the donor for his/her contribution to your fund.*

***If your fundraising event/project includes a charity auction, you will need to provide the Foundation with a separate listing of the items auctioned, their fair market value, the successful bid amount and donor information. If a donor successfully bids for an item at a charity auction, and the bid exceeds the fair market value of the item, he or she may deduct the excess of the bid over the fair market value as a charitable contribution. Again, the Foundation will need to be provided this information in order to appropriately acknowledge the donor.*

EXHIBIT D

DADE COMMUNITY FOUNDATION

**POLICY REGARDING PUBLIC FUNDRAISING FOR
COMPONENT FUNDS OF THE FOUNDATION**

Thank you for expressing your confidence in Dade Community Foundation by establishing a Fund with us. Dade Community Foundation is pleased to work with you in helping develop your Fund. The chief responsibility of the development office of Dade Community Foundation is to raise endowment through acquisition of major and planned gifts. The Foundation, unfortunately, does not have the staff to operate public fundraising events for its component funds.

In establishing a Fund at Dade Community Foundation, there may be times when you would like to organize a fundraiser to raise dollars toward this Fund. Dade Community Foundation most often receives the net income from a fundraiser and does not acknowledge the individual contributors of the dollars. However, there may be times when individual contributors to a fundraiser would want to receive a charitable deduction. This policy statement has been developed by Dade Community Foundation to help guide those of you planning fundraising events and solicitations (we will call you **Fundraising Groups**).

When Fundraising Groups conduct fundraising activities and solicitations, on behalf of component funds at Dade Community Foundation, you must keep in mind that for tax purposes such fundraising is being done on behalf of Dade Community Foundation. A number of significant tax and accounting issues will arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of the Foundation to ensure that Donors to the Fund are entitled to the appropriate tax deductions, to protect the Fundraising Groups from unintended tax consequences to themselves, and to determine that Dade Community Foundation is not exposed to penalties for failing to make proper solicitation disclosures.

These requirements are designed to protect Donors and the Fundraising Groups fundraising for a component Fund at Dade Community Foundation. We appreciate your cooperation in fulfilling these requirements.

Foundation Approval of Events

Before undertaking public fundraising events, the Fundraising Group will define in advance to the Foundation each program, event or other effort to raise money for the Fund. The Fundraising Group should submit a written proposal and attain advance approval from Dade Community Foundation. The Fundraising Group will then proceed according to the Foundation's guidelines. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should make clear, where applicable, that funds are being raised *on behalf of* rather than *by* Dade Community Foundation. An administrative fee may be charged if extra administrative services will need to be expended by the Foundation.

Responsibilities of Dade Community Foundation

The responsibility of the Foundation will be for:

- the management of such money and property as it may accept into the component fund from Donors, other contributors and sources;

- the application of income and principal to charitable uses, all in accord with the governing documents of the Foundation; and
- providing appropriate acknowledgments to Donors.

Responsibilities of Fundraising Group

The Fundraising Group will retain responsibility for all public fundraising events and matters related to them including:

- payment of all costs and expenses;
- compliance with laws; and
- reporting and other requirements of every kind such as licensing, tax payment, and liability insurance (see below) covering the Foundation.

Payment of Expenses

The Fundraising Group will be responsible for all expenses and maintain appropriate financial controls and records related to fundraising events. The Fundraising Group will establish a budget for submission to the Foundation prior to all events. How expenses will be paid (either by the Fundraising Group or by Dade Community Foundation) must be discussed prior to the event. Regardless of who pays for expenses, copies of invoices and receipts must be provided to Dade Community Foundation for our record keeping.

Designation of Checks and Receipt of Cash

Checks related to the event must be made payable to the component Fund of the Foundation. Cash receipts are to be deposited intact. That is, cash receipts are not to be used to pay expenses, and then the net cash amount deposited. All proceeds, checks and cash, must be delivered to the Foundation along with an accounting of all monies received within one week after the fundraising event.

Tax Requirements and Acknowledgments

The IRS has imposed strict requirements which impact any fundraising. If the steps outlined below are not taken, Donors will be denied a tax deduction; the Fundraising Group might find themselves unexpectedly subjected to tax on the funds they raise; either Dade Community Foundation or the Fundraising Group might be subjected to penalty.

Donors who contribute \$250 or more will need a written acknowledgment from Dade Community Foundation in order to claim a tax deduction for the contribution. Dade Community Foundation will provide the appropriate acknowledgment to the Donors, but will require certain detailed information in order to do so. Specifically, the Fundraising Group will need to provide Dade Community Foundation with:

- 1) The Donor's complete name and address;
- 2) The date and amount of the contribution;
- 3) Whether the contribution was in cash or property;
- 4) If property, a description of the type of property and a good faith estimate of the fair market value; and
- 5) A detailed description of any goods and services provided in exchange for the contribution.

Contributions of services, while appreciated, are not generally deductible.

If the Fundraising Group provides goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a “quid pro quo disclosure”, must be disclosed at the time of solicitation. Disclosure on the ticket to the event is a typical method for making this disclosure.

Dade Community Foundation will assist the Fundraising Group in determining the fair market value amounts and the appropriate disclosure language for the event. However, Dade Community Foundation will have to work with the group prior to the solicitation activity, and will need information pertaining to the event such as the ticket prices, and the values of the goods or services donors are to receive. *The Fundraising Group needs to see that the required quid pro quo disclosures are made.*

Raffle tickets are not tax-deductible. This must be stated clearly on the face of distributed tickets.

Rummage Sale purchases are not tax-deductible.

Auctions - Legal counsel for the Foundation shall review, on a case-by-case basis, any proposed ideas for an auction. At that time, tax deductibility of items will be determined.

Liability Insurance and Liability for Losses

The Fundraising Group will contact the Foundation prior to having a fundraising event to assess the need to secure liability insurance for him or herself and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation.

The Fundraising Group will be responsible for all losses incurred by events. The Foundation will not be held responsible for such losses. The Foundation may require the Fundraising Group to purchase a letter of credit or provide a written personal guarantee.

Solicitation of Contributions Act

According to Florida’s Solicitation of Contributions Act, the following information must be available at all fundraising events:

1. The name of the charitable organization and the state in which it does business:

Dade Community Foundation, Florida

2. A description of the purpose for solicitation:

The _____ Fund is a component fund at Dade Community Foundation. The _____ Fund at Dade Community Foundation is raising dollars today for the purpose of _____.

3. Inquiries can be addressed to:

Ruth Shack, President
Dade Community Foundation
200 South Biscayne Boulevard, Suite 505
Miami, FL 33131
305.371.2711

4. The amount of the contribution deductible as a charitable contribution by federal law:
It is vital to determine the value of the benefit received by the donor for his or her contribution. This amount is not deductible for federal income tax purposes.
5. Written financial statements can be obtained from Dade Community Foundation.
(All information regarding funds raised and event expenses must be given to Dade Community Foundation within one week of the fundraising event, so that we can respond in a timely manner to requests for information.)
6. All printed solicitations, written confirmations, receipts, or reminders of contribution must state in capital letters:

“A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (1-800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.”