

FISCAL SPONSORSHIP AND PARTNERSHIP MANAGEMENT AGREEMENT

Between San Juan Headwaters Forest Health Partnership (“Partnership”)
and Mountain Studies Institute (“Sponsor”)

This Agreement defines the roles and responsibilities of both the Unincorporated Organization (the Partnership) and the Fiscal Sponsor Organization (the Sponsor) named above.

This Agreement shall be in effect from January 18, 2016 through January 18, 2017.

The Sponsor: The Sponsor 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 purposes, which include scientific research and education.

The Partnership: The Partnership is an unincorporated organization formed for the purposes of developing and implementing a shared vision for management of the natural resources of in or near the headwaters of San Juan River watershed.

The Agreement: The Sponsor is willing to receive funds to include grants, contributions and tax-deductible gifts for the benefit and use of implementing the Partnership. The Partnership, with the administrative assistance and project coordination and/or management of the Sponsor, desires to use these funds in order to implement the Partnership’s purposes.

Oversight Group: The Partnership will provide an Oversight Group of a minimum of two people (that are not part of the Sponsor organization board or staff) that will review financial reports and expenditures. The Oversight Group will make recommendations to the Partnership regarding the use of funds. The Oversight Group may also make emergency approvals of expenditures per the procedures in this Agreement when necessary. The Oversight Group will serve as the official signatories of the Partnership.

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 Partnership, and to make those funds available to the Partnership.
2. **Acknowledgment of charitable donations on behalf of the Partnership:** The Sponsor agrees that all grants, contributions and gifts which it receives for the Partnership will be reported as contributions to the Sponsor as required by law, and further agrees to acknowledge receipt of any such grant, contribution or gift in writing

and to furnish evidence of its status as a tax-exempt organization under the Code. The Sponsor agrees to notify the Partnership of any change in its tax-exempt status.

3. **Protection of tax-exempt status:** The Partnership agrees not to use funds received from the Sponsor in any way which would jeopardize the tax-exempt status of the Sponsor. The Partnership agrees to comply with any written request by the Sponsor that the Partnership cease activities that might jeopardize the Sponsor's tax status. The Partnership further agrees that the Sponsor's obligation to make funds available to the Partnership may be suspended in the event that the Partnership fails to comply with any such request. The Sponsor retains the right, if the Partnership breaches this Agreement, or if the Partnership jeopardizes the Sponsor's legal or tax status, to withhold, withdraw, or demand immediate return of grants, contributions or gifts.
4. **Project management:** The Sponsor will take the lead on project implementation and management as assigned by the Partnership and in accordance with the work plan and budget in Attachment A. The work plan and budget will be approved by the Partnership and reviewed semi-annually by the Partnership. The Partnership's choice of projects, additional partners, and funding sources to be approached will be approved by the Partnership.
5. **Use of funds:** The Sponsor also authorizes the Partnership to make expenditures, which do not exceed total contributions for the Partnership, on its behalf for use in the Partnership. The Partnership agrees to use any and all funds received from the Sponsor solely for legitimate expenses of the Partnership and to account fully to the Sponsor for the disbursement of these funds. On behalf of and with Partnership funds, the Sponsor will pay for the Partnership's direct expenses like salary and benefits for staff, travel and meeting expenses.
6. **Financial procedures:** The Sponsor is required to accept any obligations required by any grants received for the Partnership including adhering to the grant budget. The Sponsor will obtain authorization from the Partnership to pay these expenses using the Partnership's funds. Any funds received for the Partnership will be held in a checking account specifically and solely for the Partnership at Bank of the San Juans. The check ledger will be reviewed and approved by the Oversight Group. Checks will be written once per month including reimbursement to the Sponsor for expenses incurred such as payroll or grant administration. The Oversight Group will be authorized check signers and the signers will be approved by the Partnership.

If there is an emergency expense that cannot wait until the next regularly scheduled meeting, expense approval may be granted via email by the Oversight Group.

7. **Financial accounting and reporting:** The Sponsor will maintain accurate and up-to-date books and financial records for the Partnership in accordance with generally accepted accounting principles. The Partnership's revenue and expenses shall be separately classed in the books of the Sponsor. The Sponsor will provide reports reflecting revenue and expenses related to the Partnership's grants, contributions,

and gifts on a monthly basis in comparison with the monthly bank statement, budget and a cumulative year-end report.

8. **Employment:** Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Partnership 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.
9. **Governance:** Authority to manage the programmatic activities of the Partnership is delegated to the Partnership, subject at all times to the ultimate direction and control of the Sponsor's Board of Directors.
10. **Fundraising:** The Partnership will solicit gifts, contributions, and grants on behalf of the Sponsor which are earmarked for the activities of the Partnership. The text of the Partnership's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the Sponsor. The Sponsor's Executive Director must co-sign with a Partnership representative all original letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support the Partnership 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 Partnership. The Sponsor's Executive Director and Partnership 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 Partnership desires to apply for government or public agency grants with Sponsor as the applicant, the Partnership must get advance approval to do so from the Sponsor's Executive Director.
11. **Renewal of this agreement:** If both the Sponsor and Partnership desire to do so, this agreement may be renewed on June 30, 2013, and annually thereafter.
12. **Termination:** Either party may terminate this Agreement by giving a 60-day written notice to the other party.

Fiscal Sponsor Organization

By:

Board Chairperson _____ Date

CEO/Executive Director _____ Date

Partnership Organization

By:

Partnership Representative _____ Date

Partnership Representative _____ Date

Partnership Representative _____ Date

Partnership Representative _____ Date

Partnership Representative _____ Date

Partnership Representative _____ Date

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