

MLT's 10% Administrative Fee & \$100 Membership Dues

1. Garden License Agreement: Mandatory for All MLT Gardens

Any garden occupying land that MLT owns (or oversees) must sign the **Garden License Agreement**. This agreement establishes your garden's obligations, including:

- Maintaining open access to the public;
- Following MLT's bylaws and policies;
- Meeting basic upkeep and safety standards.

Annual Membership Dues: \$100

Under the License Agreement, each garden pays **\$100 every year** in membership dues.

- **Biennial Renewal:** The License Agreement itself renews every two years, but the \$100 dues are collected annually.
 - **Insurance Coverage:** MLT's general liability insurance extends to gardens via this License Agreement. Even if your garden is incorporated separately, MLT still provides property-related coverage since the land belongs to (or is managed by) MLT. Incorporating would allow you to add your own supplemental coverage, but MLT coverage remains in place as long as you hold the License Agreement.
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2. Fiscal Sponsorship: Optional Service with a 10% Fee

Fiscal sponsorship is not mandatory. If your garden wants to receive tax-deductible donations under MLT's 501(c)(3) umbrella, MLT charges a **10% administrative fee** on each donation. This optional arrangement covers:

1. **Transaction Processing**
 - Depositing checks, handling online donations, and absorbing typical credit card fees (~2.9% + \$0.30/donation).
2. **Compliance & Oversight**
 - Ensuring funds are used for charitable activities consistent with IRS regulations.
3. **Professional Services**
 - Hiring accountants (CPAs) as needed; managing legal filings for MLT's 501(c)(3) status.
4. **Administrative Infrastructure**
 - Donor receipts and acknowledgments, financial reporting, and budgeting support.

Typical Rate Range: Many fiscal sponsors charge [between 5% and 15%](#). MLT's 10% is fair.

3. Cost Breakdown When Using Both the License Agreement & Fiscal Sponsorship

If you *do* use MLT's fiscal sponsorship, you'll pay both **10%** on each donation *and* **\$100** in annual membership dues. If you **do not** use sponsorship, you simply pay the \$100 dues and collect donations on your own without MLT's 501(c)(3) status.

Donations	10% Fee (if using sponsorship)	Annual Dues (mandatory)	Net to Garden (if using sponsorship)
\$500	\$50	\$100	\$350
\$1,500	\$150	\$100	\$1250
\$3,000	\$300	\$100	\$2600
\$5,000	\$500	\$100	\$4400

4. Cost Breakdown of Typical Credit Card Fees (stripe.com)

Donation	2.9%	\$0.30	Total Fee	Effective Fee
\$1	\$0.03	+ \$0.30 =	\$0.33	33%
\$3	\$0.09	+ \$0.30 =	\$0.39	13%
\$5	\$0.15	+ \$0.30 =	\$0.45	9%
\$10	\$0.29	+ \$0.30 =	\$0.59	5.9%
\$20	\$0.58	+ \$0.30 =	\$0.88	4.4%
\$50	\$1.45	+ \$0.30 =	\$1.75	3.5%
\$75	\$2.18	+ \$0.30 =	\$2.48	3.3%
\$100	\$2.9	+ \$0.30 =	\$3.20	3.2%

5. Garden Options & Long-Term Independence

5.1 Option B (MLT-Manages Main Account)

- MLT collects and disburses funds, handles banking, and keeps records.
- 10% fee on each donation plus \$100 dues.
- Ideal for new or smaller gardens.

5.2 Option A (Garden-Managed Sub-Account)

- Your garden writes checks (co-signed with MLT) and handles basic budgeting, while MLT still provides oversight.
- 10% fee on each donation plus \$100 dues.
- Good for gardens ready for more financial responsibility.

5.3 Independent 501(c)(3) Status

- You can incorporate and apply for your own 501(c)(3).
- **Note on Insurance:** Because the garden is on MLT-owned/controlled land, the License Agreement—and MLT's included insurance—still applies. Incorporating allows you to add any **supplemental** policies you might want (for special events or expanded coverage), but **MLT's core insurance remains in place** as long as the garden is licensed on MLT property.
- **Membership Dues Continue:** You still owe \$100 annually for membership and to retain the License Agreement. However, you would not pay the 10% sponsorship fee to MLT if you no longer rely on MLT's 501(c)(3) status.

For details on forming an independent nonprofit:

- [IRS: Applying for Tax-Exempt Status](#)
 - [New York Council of Nonprofits – Start a Nonprofit](#)
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6. Conclusion

- **License Agreement + \$100 Dues:** Required for all gardens using MLT land. Provides liability coverage, property stewardship, and basic governance.
- **10% Fiscal Sponsorship:** Optional service that enables gardens to accept tax-deductible donations via MLT's 501(c)(3).
- **Paths to Growth:**
 - You may remain unincorporated and opt out of MLT sponsorship (still paying \$100 yearly).
 - You may use MLT sponsorship (paying 10% on donations, plus \$100).
 - You may become fully independent (forming your own nonprofit) but still maintain the \$100 membership dues and rely on MLT's existing insurance for the land.

If you have questions about any of these fees or processes, please contact MLT's Board of Directors or your usual liaison. We appreciate your support in keeping Manhattan's community gardens thriving and accessible!