

Fiscal Sponsorship Agreement

This Fiscal Sponsorship Agreement (“Agreement”) is entered into on [Date], by and between **The Manhattan Land Trust** (“MLT”), a nonprofit organization with 501(c)(3) status located at 148 W 37th St, Floor 13, New York, NY 10018, and **[Garden Name]** (“the Garden”), an unincorporated community garden located at [Garden Address].

Article I: Introduction and Relationship to License Agreement

- § 1.1 **The Manhattan Land Trust:** MLT is a nonprofit organization recognized under Section 501(c)(3) of the Internal Revenue Code. Its mission is to preserve, develop, and improve community gardens and open spaces in New York City, while promoting their recreational, environmental, and educational benefits for ~~local residents~~ **the local community**.
- § 1.2 **The Garden:** [Garden Name] (the Garden) is an unincorporated community garden operated by volunteers for the benefit of the ~~local community~~ **members, residents, and tourists**.
- § 1.3 **Purpose of This Agreement:** This Fiscal Sponsorship Agreement sets forth the terms under which MLT will receive and manage donations on behalf of the Garden. It also outlines financial responsibilities, reporting procedures, and compliance with 501(c)(3) regulations to ensure all funds are used for charitable purposes in line with MLT’s mission.
- § 1.4 **Relationship to License Agreement:** The Garden’s use and occupancy of any real property owned or managed by MLT ~~—T~~, along with day-to-day operations, membership rules, and volunteer governance ~~—~~, are ~~governed~~ **contracted** by an ~~separate~~ **existing** License Agreement, **distributed on signing and available on request**. ~~In the event of any conflict between this Agreement and the License Agreement regarding land use or membership, the License Agreement shall control.~~ **The License Agreement takes precedence.**
- § 1.5 **Fiscal Year:** The fiscal year for MLT begins on May 1 and ends on April 30.

Article II: Donation Handling and MLT Administrative Fee

§ 2.1 Administrative Fee

- § 2.1.1 MLT retains **10% of donations as an administrative fee** to cover essential services, including transaction processing, financial management, regulatory compliance, insurance, and oversight necessary to maintain MLT’s 501(c)(3) status and ensure proper stewardship of funds.

§ 2.1.2 MLT covers credit card fees on donations from the public of **five dollars (\$5) or more**.

§ 2.2 Donation Handling

§ 2.2.1 **Checks:** All donation checks must be made payable to **The Manhattan Land Trust**, with a note indicating the funds are for the Garden.

§ 2.2.2 **Cash Donations:** All cash donations must be deposited into the designated MLT bank account (sub-account or main account) within **forty-fivethirty (~~45~~30) days** of receipt.

§ 2.2.3 **Online Donations:** Before the Garden uses any website, mobile app, or other digital platform to solicit or collect donations, MLT's **reasonable consent is ~~approval is~~** required [see § 6.3]. ~~MLT will provide specific procedures and guidelines for these online contributions on a case-by-case basis.~~

§ 2.3 Donation Receptacles

General Requirements

§ 2.3.1 Any donation receptacle—whether fixed or portable—must be clearly labeled to indicate that donations are made to “The Manhattan Land Trust for the benefit of [Garden Name],” in accordance with New York State Charities Bureau guidelines.

§ 2.3.2 The receptacle must be lockable, and keys should be held only by authorized individuals (e.g., the Garden's President and Treasurer, and/or any account signers).

§ 2.3.3 **Attempts of theft or misuse must be reported to the MLT Treasurer within 10 (ten) days.**

Fixed Receptacles

§ 2.3.3 If the Garden chooses to keep a **fixed** donation box or similar container within the Garden, it must be monitored regularly to ensure its security and integrity.

§ 2.3.4 Funds collected should be deposited into the designated MLT account in accordance with the time frames stated in this Agreement.

Portable Receptacles

§ 2.3.5 **Prior Approval:** If the Garden wishes to use an additional, portable donation box at events, it must first receive approval from the Garden Treasurer (or other designated officer).

§ 2.3.6 **Supervision:** A Garden **designated** member must supervise the portable donation receptacle at all times during the event.

§ 2.3.7 **Security:** After the event, funds must be promptly secured ~~within the fixed receptacle~~ and later deposited into the designated MLT account within the agreed-upon timeframe.

Article III: Banking Arrangements and Reporting

§ 3.1 Option A: Garden-Managed Sub-Account

§ 3.1.1 **Eligibility and Setup:** If MLT determines the Garden is ready, MLT will open a sub-account in MLT's name but designated for the Garden's charitable use.

§ 3.1.2 **Authorized Signers:** There will be four (4) authorized signers—two (2) from MLT and two (2) from the Garden (e.g., each President and Treasurer). **Any two (2)** of the four must sign each check.

§ 3.1.3 **Minimum Balance:** The Garden must maintain at least the bank's required minimum balance. Should the balance fall below this threshold, **MLT may, at its discretion, provide funds** to restore the minimum. **These funds shall not be spent** on Garden activities.

§ 3.1.4 Debit Cards (Optional)

- **Issuance:** If approved by MLT, up to two (2) debit cards may be issued and must be held by the account co-signers.
- **No Cash Withdrawals:** Debit cards may not be used for ATM transactions or cash-back.

§ 3.1.5 Financial Reporting

- **Quarterly Summaries:** The Garden shall submit **quarterly financial summaries** (income, expenses, petty cash usage, balances) to MLT ~~within their guidelines~~ in a format approved by MLT.
- **Annual Budget:** The Garden shall provide an annual budget ~~each year~~ for MLT's review and ~~any requested revisions~~ comment.
- **Petty Cash Documentation:** If the Garden maintains petty cash, **all transactions** must be recorded and **regularly shared** (at least quarterly) with MLT.

§ 3.1.6 MLT Authority

- **Additional Controls:** If MLT identifies any compliance issues or suspects misuse, it may impose additional reporting requirements (e.g., more frequent reports) or require prior written approval for certain transactions.
- **Check Cosigners:** MLT reserves the right to tighten check-signing controls if policies are violated, potentially revoking the Garden's ability to co-sign checks or requiring MLT signatures on all checks.

- **Debit Cards:** MLT may suspend or deactivate any debit cards if misuse is suspected or procedures are not followed.
- **Approval Thresholds:** MLT may define expense approval thresholds at its discretion.

§ 3.2 Option B: MLT-Managed Main Account

§ 3.2.1 **Direct Deposit:** If the Garden or MLT determines a sub-account is not suitable, donations will be held in MLT's main account.

§ 3.2.2 Reimbursements and Purchases

- **Request Process:** All reimbursement and purchase requests must follow the approval procedure detailed in § 6.3.
- **Reimbursements:** The Garden submits receipts for MLT-approved expenses to request reimbursement.
- **MLT-Approved Purchases:** Alternatively, the Garden may request that MLT place an order or purchase items on its behalf.
- **MLT Bookkeeping:** MLT handles all accounting and reporting for Option B. The Garden need only provide receipts or documentation for expenses as requested; **no formal quarterly or annual financial reporting** is required under this option.

§ 3.3 Petty Cash (Both Options A & B)

§ 3.3.1 **Availability:** With MLT approval, the Garden may maintain a **petty cash fund of \$100** (or defined by the MLT) for immediate expenses, regardless of which banking option applies.

§ 3.3.2 Record-Keeping:

- **Option A:** Petty cash transactions are reported in quarterly summaries.
- **Option B:** Petty cash transactions must ~~still~~ be logged; ~~but~~ These logs are shared **at MLT's request** or when ~~seeking reimbursement~~ **replenishing the fund**.

§ 3.3.3 **Additional Policies:** MLT may issue or revise petty cash policies at its discretion, and the Garden agrees to comply upon receiving notice.

Article IV: Use of MLT's Tax-Exempt Status

§ 4.1 **Prohibited Use of Tax-Exempt Numbers:** The Garden may not use MLT's tax-exempt identification number (EIN) or New York State sales tax exemption number under any circumstances.

§ 4.2 **Tax-Exempt Purchases:** For a purchase to be made without sales tax, **MLT must place the order** directly. The Garden should submit purchase requests via MLT's official process at least **forty-fivetwenty-nine (~~45~~29) days** in advance (or as determined by MLT's Board).

Article V: Grant Applications

§ 5.1 **MLT Coordination:** If a grant requires 501(c)(3) status, it must be submitted and managed by MLT on behalf of its network of gardens. The Garden may not apply for grants using **MLT's name or EIN** without prior written approval from MLT.

§ 5.2 **Individual Sponsorship:** If a grant funder allows a **one-time fiscal sponsorship** directly with the Garden (i.e., no need for MLT's 501(c)(3) status), the Garden may apply independently but must **notify MLT** to avoid conflicts with MLT's broader funding efforts.

Article VI: Activities, Approvals, and Alignment with Mission

§ 6.1 **Scope of Activities:** All Garden activities must further MLT's charitable mission of supporting community gardening and environmental stewardship.

§ 6.2 **Revenue-Generating Events**

- **Definition:** Events or activities where the Garden charges an entrance fee, sells goods or services, or otherwise actively solicits **non-voluntary** payments require **prior approval** from MLT.
- **Fundraisers:** Formal fundraisers, especially those publicized as ticketed events or auctions, must also be approved by MLT in writing.
- **Voluntary Donations:** If a Garden event merely **accepts optional donations** without any entry fee or sales transaction, **MLT approval is not strictly required** (though the Garden is encouraged to notify MLT of major events).

§ 6.3 **Procedure for Approvals**

- **Written or Email Requests:** The Garden submits a brief proposal to MLT for approval.
 - i. **Revenue activities** (e.g., rentals, sales, fundraisers) with details on how proceeds will be used.
 - ii. **Expenses under Option A (Garden-Managed Sub-Account):** Requests are required for expenses exceeding a threshold set by MLT.
 - iii. **Expenses under Option B (MLT-Managed Main Account):** Requests are required for all reimbursement or purchase requests.

- **MLT Review:** MLT reviews requests for compliance with its mission, the Garden License Agreement, and applicable policies within a timeline set by MLT.
- **Documentation:** Additional details, such as receipts or invoices, may be required for approval.

Article VII: Termination and Disposition of Funds

- § 7.1 **Termination by Either Party:** Either MLT or the Garden may terminate this Agreement upon **one-hundred twenty (120) days written notice** to the other. Both parties will cooperate in good faith to resolve any outstanding obligations.
- § 7.2 **Effect of License Agreement Termination:** Suspension or termination of the License Agreement may lead MLT to **automatically suspend or terminate** this Agreement.
- § 7.3 **Disposition of Funds**
- **Sub-Account (Option A):** Any balance in the Garden's sub-account belongs to MLT and remains under MLT's control. If the Garden secures 501(c)(3) status or another qualified fiscal sponsor, MLT **may** transfer remaining funds to that entity, if aligned with MLT's mission and applicable law.
 - **Main Account (Option B):** Similarly, donations in the main account belong to MLT.
 - **Reassurance to Garden:** MLT is committed to using these funds **for charitable purposes** that benefit community gardening. Should fiscal sponsorship end, MLT will strive, in good faith, to ensure that funds support causes consistent with the Garden's original intent, while respecting MLT's legal obligations as a 501(c)(3).
- § 7.4 **Modifications:** Amendments to this Agreement must be written and signed by both parties.

Article VIII: Conflict Resolution

- § 8.1 **Good-Faith Discussions:** The Garden and MLT will first attempt to resolve disputes or misunderstandings through direct, respectful communication.
- § 8.2 **Mediation:** If communication fails, the parties agree to attempt mediation, with costs shared equally unless otherwise agreed in writing.

Article IV: Miscellaneous Provisions

- § 9.1 **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

§ 9.2 **Indemnification:** The Garden agrees to indemnify MLT for claims resulting from the Garden's willful violation of law or reckless conduct not covered by MLT's insurance.

§ 9.3 **Binding Effect:** ~~This Agreement is binding upon the parties hereto and their respective successors or permitted assigns.~~ This Agreement binds the parties and their successors and assigns.

By signing below, the parties affirm their agreement to all terms stated in this Fiscal Sponsorship Agreement:

[MLT President Name]

The Manhattan Land Trust, President

Date

[Garden President]

[Garden Name], President

Date