

## **DISCLOSURE OF FISCAL SPONSORSHIP AGREEMENT**

THIS IS THE ANNUAL DISCLOSURE OF THE FISCAL SPONSORSHIP AGREEMENT (this “Agreement”) made between the Alumni Association of the University of Virginia (the “Sponsor”) and your organization (the “Participant”). Please carefully read and understand the Agreement. If you have any questions regarding this Agreement, please contact Jennifer Bonenfant at 434-243-9015 [jl5mc@virginia.edu](mailto:jl5mc@virginia.edu).

1. Sponsor. The Sponsor is a Virginia nonstock corporation that has been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Sponsor’s purpose is to support the activities of the University of Virginia and to provide a vehicle to accept and manage gifts on behalf of the University of Virginia.

2. Participant. The Participant is the entity for whose use the funds are intended to be engaged in the Participant’s purposes or activities.

3. Fiscal Sponsorship. The Sponsor hereby agrees to act as the fiscal sponsor for the Participant. In its capacity as fiscal sponsor the Sponsor will receive grants, tax-deductible contributions, and other amounts (the “Account Assets”) for use in carrying out the Participant’s activities (the “Activities”).

The Activities are exclusively charitable, scientific, or educational activities described in section 501(c)(3) of the Internal Revenue Code and are permitted activities of the Sponsor under the Articles of Incorporation and Bylaws of the Sponsor.

4. Duties and Powers of Sponsor.

(a) Sponsor’s Control. The Sponsor shall receive and administer the Account Assets, and ensure that the Account Assets are used for the purposes specified

in this Agreement. At all times during the term of this Agreement, the Activities shall be considered activities of the Sponsor and the Sponsor shall have the final authority concerning the management and use of the Account Assets.

(b) Disposition of Income, Principal, and Proceeds. The Sponsor shall maintain the Account Assets, separately account for the Account Assets, and collect the income on the Account Assets, the principal of any securities, and the proceeds of any sale or other disposition of the Account Assets when due and available for payment and may allocate such amounts to income or principal as the Sponsor deems appropriate.

(c) Distributions. The Participant agrees to use the Account Assets in a manner that is consistent with the purposes specified in this Agreement and for which the funds were contributed. The Participant further agrees to comply with the University of Virginia's Policy on University-Related Foundations (the "Policy"), if applicable. The Sponsor shall review any request for distribution received from an authorized representative of the Participant (as described in section 6 of this Agreement) to confirm that the requested distribution is permitted by the terms of this Agreement and is consistent with the purposes specified in this Agreement.. Upon receipt of any documentation the Sponsor may reasonably require demonstrating that the requested amounts will be used for the Activities, the Sponsor shall make the requested distribution.

(d) Written Materials. The Sponsor shall have the right to approve all written materials identifying the Sponsor with the Activities and any other written materials produced or distributed in connection with the Activities prior to the distribution of such materials.

(e) Reporting. The Sponsor shall send all required receipts or acknowledgments to donors of tax-deductible contributions. The Sponsor shall review reports prepared by the Participant in compliance with the requirements of any grant-maker or donor and shall submit such reports to the appropriate persons. The Sponsor will include the income and expenses attributable to the Account Assets and Activities on its annual information return filed with the Internal Revenue Service.

(f) Employment of Agents. The Sponsor may employ such agents as the Sponsor deems advisable and may incur such reasonable administration expenses for the use of any such agent as are consistent for an agent to charge in connection with similar services and shall charge such expenses to the Fiscal Sponsorship Account.

(g) Statements. The Sponsor shall maintain complete and accurate records in accordance with generally accepted accounting principles and shall furnish to the Participant a quarterly or more frequent statement showing all income and principal transactions made during the quarter and a schedule of the Account Assets as of the close of the quarter. The Participant assigns a designee to serve as the contact for the account established under this Agreement. This designated contact responds to inquiries and requests for information and receives the statements and other notices issued in connection with the account.

(h) The Owner may, by written notice to the Sponsor at least ten (10) days prior to the date on which such change is intended to take effect, designate a new contact or a new address, to which communications shall be directed.

5. Duties and Powers of Participant.

(a) Authorized Persons. The Participant shall provide the Sponsor with a list of persons authorized to act on behalf of the Participant (each an “Authorized Person”). Unless otherwise instructed in writing, the Sponsor may rely on the instructions, representations, or signature of any Authorized Person with respect to any matter in connection with the Activities or this Agreement. The Participant shall notify the Sponsor in writing of any change in the Authorized Persons at least ten (10) days prior to the date on which such change is intended to take effect.

(b) Request for Distribution. Any Authorized Person may request a distribution of all or any part of the Account Assets consistent with this Agreement, and the purposes provided in this Agreement. The Participant shall provide the Sponsor with any documentation the Sponsor may reasonably require to demonstrate that the assets requested will be used in connection with the Activities. The Participant shall promptly reimburse the Sponsor for any amounts not required for such use and any amounts improperly expended by the Participant.

(c) Exempt Purposes. The Participant agrees not to use the Account Assets received from the Sponsor in any way that would jeopardize the Sponsor’s tax-exempt status. The Participant shall promptly comply with any written request of the Sponsor that the Participant cease any activity that in the opinion of the Sponsor might jeopardize the Sponsor’s tax-exempt status and agrees that the Sponsor shall not be required to make any distributions to the Participant in the event the Participant fails to comply with a request to cease activities. The Participant further agrees that any substantial change in the Activities or the operations or governance of the Participant

must be approved in writing by the Sponsor before implementation. The Sponsor shall have the right to withhold, withdraw, or demand immediate return of any Account Assets if the Participant breaches this Agreement or engages in any activity that jeopardizes the Sponsor's tax-exempt status.

6. Termination.

(a) Notice of Termination. Either party may terminate this Agreement by giving sixty (60) day's written notice to the other party.

(b) Participant's Continued Existence. If the Participant will continue to exist, but one party wishes to terminate this Sponsor's fiscal sponsorship of the Participant, the following terms and conditions shall apply.

(1) Prior to the end of the 60-day notice period, the Participant shall identify another nonprofit corporation that is exempt under Internal Revenue Code section 501(c)(3) and that is not classified as a private foundation under Internal Revenue Code section 509(a) that is willing to sponsor the Participant (a "Successor"). The Successor may be a new organization meeting the requirements described in this paragraph.

(2) Subject to the approval of any third parties, including but not limited to donors, if the Sponsor determines that the Successor identified by the Participant meets the requirements in subparagraph (1), the Sponsor shall distribute the Account Assets held on the date of termination together with any other assets held or liabilities incurred by the Sponsor in connection with the Activities to the Successor at the end of the notice period.

(3) If the successor is a new organization formed by the Participant, the Successor shall be eligible to receive such assets and liabilities only if the new organization has obtained a determination letter from the Internal Revenue Service confirming that the Successor is exempt under Internal Revenue Code section 501(c)(3) and is not a private foundation under Internal Revenue Code section 509(a).

(4) If no Successor sponsor is identified, the Sponsor may distribute the Account Assets in any manner consistent with the purposes set forth in this agreement and any applicable law.

7. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original.