

Appendix I

MODEL GRANT AGREEMENT FOR GRANT FROM 501(c)(3) TO 501(c)(4)

The grant to [name of 501(c)(4)] (“Grantee”) from [name of 501(c)(3)] (“Grantor”) is for the explicit purposes described in Grantee’s request and subject to Grantee’s acceptance of the terms described herein.

WHEREAS, Grantor is a nonprofit corporation organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (“Code”) and desires to provide a grant to Grantee to conduct educational activities;

WHEREAS, the parties hereto recognize that every effort shall be made to safeguard the integrity of Grantor’s tax status under section 501(c)(3) of the Code;

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the parties agree as follows:

Grant Purpose: This grant is for the exclusive purpose of supporting Grantee’s charitable, scientific, or educational activities.

Amount: The total amount of the grant is \$ _____, to be paid in installments according to the following schedule: _____.

[or]

Funds will be disbursed to Grantee upon receipt of the signed Terms of Grant.

Expenditure of Grant Funds: The funds provided may be spent only in accordance with the provisions of Grantee’s funding request and budget as approved. The program and budget are subject to modification only with Grantor’s prior written approval. Questions that may arise about the program’s responsibilities, goals, expected results, and workplan are resolved by reference to these documents. Grantor reserves the right to exercise oversight, in whatever manner it deems suitable with respect to Grantee’s use of these funds.

Grantee shall not engage in any activity on behalf of Grantor that jeopardizes Grantor’s status as a nonprofit charity qualified to receive tax-deductible contributions under section 501(c)(3) of the Code. Without limiting the generality of the preceding sentence, Grantee will not intervene in any election or support or oppose any political party or candidate for public office.

Reversion of Grant Funds: Grantee will return to Grantor any unexpended funds at the close of the grant period. Funds also shall be promptly returned:

- If Grantor determines that Grantee has not performed in accordance with the Terms of Grant, and approved program and budget.
- If Grantee loses its exemption from federal income tax as provided for under section 501(c)(4) of the Code.

Reports to Grantor: Grantee will furnish Grantor with monthly written reports addressing all points listed in the following guidelines. These reports will supply sufficient information for Grantor to determine that the grant is being used for the purposes intended and for Grantor to fulfill its own public reporting responsibilities.

Progress reports are designed to provide periodic assessments of activities being supported by Grantor. They should be submitted on a monthly basis and should include the following information:

- A summary of receipts and expenditures. Each report shall provide an itemized statement of costs incurred by Grantee in performance of this agreement. Reports on other functions performed under this contract shall be submitted from time to time and in a form satisfactory to Grantor.
- A description of work conducted by Grantee during the period in pursuit of the general objectives set forth in the grant proposal.
- An evaluation of the impact and results of work undertaken and an assessment of progress that has been made in meeting stated goals. Grantee is encouraged to report not only the positive results of its activities, but also any problems that have arisen along with a description of measures that have or will be put into practice to resolve them.
- A description and explanation of any changes in the nature, methodology, and/or objectives of the project as presented in the initial funding proposal.

Grantee shall keep records satisfactory to Grantor related to performance of this Agreement. Grantee shall make all books, ledgers, accounts, files, computer records, and personnel involved in performing functions under this contract available to Grantor or its designated representatives, auditors, or legal counsel to determine compliance with the terms of the contract and applicable law.

If this Agreement sets forth Grantee's understanding of the terms of this grant, please indicate agreement to such terms by having the enclosed copy of this letter countersigned by an appropriate officer of the organization and returned to Grantor. It is also understood that by countersigning this letter Grantee confirms that there has been no change in its qualification as an organization exempt from income tax pursuant to section 501(c)(4) of the Code. If any change in classification occurs, Grantee must notify Grantor immediately.

For Grantee:

For Grantor:

(Signature of Authorized Representative)

(Signature of Authorized Representative)

(Name and Title)

(Name and Title)

(Date)

(Date)