Sample Contract:

Fiscal Sponsorship Transition Agreement (Draft)



Fiscal Sponsorship Transition Agreement[[1]](#footnote-0)

1. Introduction.

This New Entity Transition Agreement (the “Transition Agreement”) is entered into by:

[Beneficiary Organization/Entity[[2]](#footnote-1)], (“Beneficiary[[3]](#footnote-2)”) a California nonprofit public

benefit corporation, and [Sponsor Organization/Entity[[4]](#footnote-3)] (“Sponsor”[[5]](#footnote-4)) regarding [Sponsorship Project[[6]](#footnote-5)](“Project”[[7]](#footnote-6)), a fiscally sponsored project of Sponsor.

The Transition Agreement sets out the parties’ roles and responsibilities with respect to:

(1) Facilitating the transfer of assets and administration of the Project from Sponsor to Beneficiary, and (2) Terminating the fiscal sponsorship agreement for the Project by Sponsor.

This Transition Agreement becomes effective on the date that it is signed by all parties.

1. **Transfer of Assets and Liabilities.**
   1. Money Assets. Sponsor shall transfer all money owed to or held for the Project to Beneficiary on **[Date].** If possible, Sponsor will arrange to deposit such funds directly into the Beneficiary’s bank account at **[Bank Name].** If a direct transfer is not possible, then Sponsor shall prepare a check payable to Beneficiary, to be delivered on an agreed upon date and location. If Sponsor receives any donations or payments for Beneficiary after the agreed upon date listed above. In addition, the Sponsor shall inform the makers of such donations or payments to make them out to Beneficiary and shall inform Beneficiary of any such donations or payments. As described below, Sponsor shall forward mail addressed to Beneficiary, including any checks therein written to Beneficiary.
   2. Non Monetary Assets. Sponsor shall transfer all non-monetary assets associated with the project on or around [**Date].** Sponsor and Beneficiary will work together to identify all non-monetary assets whose ownership will be transferred to Beneficiary, including but not limited to: contractual rights and interests, personal property, and other tangible property. Beneficiary shall prepare any and all contracts necessary to document such transfers. Sponsor shall promptly sign such contracts if prepared in compliance with this agreement, the fiscal sponsorship agreement, and governing law.
   3. Intellectual Property. Sponsor hereby declares that all intellectual property created by or for the Project shall transfer to and become the property of Beneficiary effective **[Date].** This shall include but is not limited to, copyrights, licenses to copyrighted material, and trademarks, whether registered or not.
   4. Domain Names. Sponsor will work with Beneficiary to transfer ownership of any and all Project related domain names to Beneficiary.
   5. Memberships and Online Accounts. Sponsor will work with Beneficiary to transfer membership in or control of any and all Project-related memberships and online accounts to Beneficiary.
2. **Fiscal Sponsorship Fees.**

3.1 Fees Generally. Notwithstanding the terms of the fiscal sponsorship agreement and subsequent agreements regarding sponsorship fees, Sponsor agrees to charge a **[x%]** administrative fee, on all income received by and for the Project.

3.2 Financial Audit. Notwithstanding section 3.1, if Beneficiary requests that Sponsor conduct an audit of its financial statements, Beneficiary and Sponsor will separate negotiate a fee for the cost of the audit.

1. **Employment.**

Sponsor agrees to terminate employment of all employees working on the Project effective at the end of **[Date].** Beneficiary agrees to hire all such employees effective **[Date**]. Beneficiary shall issue paychecks to employees for work through the end of **[Date],** even if this is a shorter than normal pay period.

1. **Workers Compensation Insurance.**

Beginning on [**Date]**, Sponsor will work with Beneficiary to transfer over administration of workers compensation insurance that previously covered employees working on the Project, to the extent possible. The parties shall work together to effect the transfer as of **[Date].**

1. **Accounting and Records.**
   1. Accounting Files. Sponsor agrees to transfer copies of all relevant digital and hard‐copy accounting files from the commencement of fiscal sponsorship and onwards regarding the Project to Beneficiary, within a reasonable time period, but no later than **[Date].** This includes any balance sheets, income statements, statements of cash flow, and any other financial statements. By **[Date],** Sponsor will provide Beneficiary, with a copy of final financial statements for both Sponsor and the Project. If final financials are not available by **[Date],** then Sponsor shall provide preliminary financials based on all information available at that time, and shall send final financials by **[Date].** Going forward, Sponsor shall cooperate with Beneficiary to answer any questions or provide any information regarding Project finances.
   2. Personal Records. Sponsor will transfer copies of all personnel records for the Project to Beneficiary within a reasonable time period, but no later than **[Date]**, so long as all required permissions from employees are obtained.
   3. Mail Forwarding. If any mail arrives for the Project after **[Date],** then Sponsor shall forward the mail to Beneficiary at **[Address]** or make arrangements for Beneficiary to pick up the mail. This includes any mail containing checks written to Beneficiary.
2. **Indemnification.**

Beneficiary agrees to indemnify Sponsor for any liability incurred in connection with Project before [**Date]**, except to the extent that any of the Sponsor’s occurrence-based insurance policies cover liability for occurrence prior to [**Date],** or except to the extent the liability arose out of a duty, act, or omission by Sponsor.

1. **Fiscal Sponsorship Termination.**

Sponsor and Beneficiary agree that the existing fiscal sponsorship agreement regarding the Project shall terminate on [**Date].** The fiscal sponsorship agreement is attached to this agreement as Appendix 1.

By signing below, all parties agree to the above terms and conditions:

––––––––––––––––––––––––––

Sponsor Name

––––––––––––––––––––––––––

Date

––––––––––––––––––––––––––

Beneficiary

––––––––––––––––––––––––––

Date

*Revised October 2019.*

1. This is a specialized example for a transfer agreement between a beneficiary and sponsor entity, it should only be used for the specific instances it describes and not as a generalized template. [↑](#footnote-ref-0)
2. Delete brackets and insert the beneficiary entity’s name here [↑](#footnote-ref-1)
3. Replace all references to “Beneficiary” as highlighted into this document with the exact beneficiary entity’s name. [↑](#footnote-ref-2)
4. Delete brackets and insert the sponsoring entity’s name here. [↑](#footnote-ref-3)
5. Replace all references to “Sponsor” as highlighted into this document with the exact sponsoring entity’s name. [↑](#footnote-ref-4)
6. Give project name here and any short pertinent description or project manager information. [↑](#footnote-ref-5)
7. Replace all references to “Project” as highlighted into this document with the exact project. [↑](#footnote-ref-6)