

Memorandum of Understanding
Between
Connecticut Forest and Park Association Incorporated
And
Connecticut Land Conservation Council

Agreement made this 25th day of March 2010 between **Connecticut Forest and Park Association, Inc.**, a 501(c)3 nonprofit corporation with a principal place of business at 16 Meriden Road, Rockfall, CT, ("CFPA") and **Connecticut Land Conservation Council**, an unincorporated organization based in Connecticut.

I. Purpose of this Memorandum of Understanding

The purpose of this Memorandum of Understanding is to set forth the general principles which will guide the parties' relationship under CFPA's Fiscal Sponsorship program and to describe their respective roles and responsibilities. Attachment A, which is hereby incorporated by reference into this Memorandum, lists the parties' responsibilities to each other as well as their mutual obligations. These responsibilities are also summarized below. In the event of any conflict or confusion as between the text of this Memorandum and the Attachment, the Memorandum language shall govern.

II. Fiscal Sponsorship: Grantor/Grantee Model

On June 5, 2009, Connecticut Forest & Park Association, Inc. (CFPA/Grantor) decided that financial support of the project described in the cover letter accompanying this Agreement will further Grantor's tax-exempt purposes. Therefore, Grantor has created a restricted fund designated for such project, and has decided to grant all amounts that it may deposit to that fund, less any administrative charge as set forth below, to Connecticut Land Conservation Council (CLCC/Grantee). CFPA and CLCC agreed that this fiscal sponsorship arrangement would be evaluated within 30 days of the end of the calendar year to consider renewal.

CFPA will support the programmatic activities of CLCC through providing general management, financial, administrative and human resources services. CFPA exercises full legal and managerial control over Fiscal Sponsorship projects and has the authority to set and change fiscal, human resources, and other administrative policies at any time. However, CFPA agrees to consult with CLCC prior to making any material changes in policies.

III. Employment

CFPA is the employer of any staff member of CLCC, with final administrative decision-making authority for hiring and termination of project employees. The CLCC Steering Committee Chair will be considered the lead programmatic supervisor of the CLCC staff and responsible for completing an annual performance evaluation in consultation with the CFPA Executive Director and the CLCC Steering Committee.

IV. Grantor/Grantee Management

The Grantor has responsibility for all activities of the Grantee and, as part of this role, must review and approve all contracts, loans, publications, and other legal documents.

Grantee shall use the grant solely for the project described in Attachment A, and Grantee shall repay to Grantor any portion of the amount granted which is not used for that project. Any changes in the purposes for which grant funds are spent must be approved in writing by Grantor before implementation. Grantor retains the right, if Grantee breaches this Agreement, or if Grantee's conduct of the project jeopardizes Grantor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds, and to spend such funds so as to accomplish the purposes of the project as nearly as possible within Grantor's sole judgment. Any tangible or intangible property, including copyrights, obtained or created by Grantee as part of this project shall remain the property of Grantee.

Grantee may solicit gifts, contributions and grants to Grantor, earmarked for Grantor's restricted fund for this project. Grantee's choice of funding sources to be approached and the text of Grantee's fundraising materials are subject to Grantor's prior written approval. All grant agreements, pledges, or other commitments with funding sources to support this project via Grantor's restricted fund shall be executed by Grantor. The cost of any reports or other compliance measures required by such funding sources shall be borne by Grantee.

Nothing in this Agreement shall constitute the naming of Grantee as an agent or legal representative of Grantor for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and Grantee shall make no such representation to anyone.

If conflicts arise between CLCC and a third party or between CFPA and a third party in a way that impacts this Grantor/Grantee relationship, there is a mutual expectation that all pertinent information relating to the conflict will be shared in a timely fashion between CLCC and CFPA. CFPA's Executive Director – unless this responsibility is specifically delegated – will serve as the primary point of contact for all management issues.

V. Delegations of Authority

A. The CFPA Board of Directors has governing authority over and legal and fiduciary responsibility for all Fiscal Sponsorship grants. The CFPA Board of Directors has delegated the authority to oversee CLCC activities to the Executive Director of CFPA. Fiscal Sponsorship projects are considered direct activities of CFPA. They carry out programmatic activities which contribute to the health and well-being of their respective communities, in accordance with CFPA's mission. By signing this Memorandum of Understanding, CFPA's Executive Director delegates responsibility for day-to-day operations to CLCC's Executive Director (or CLCC's Steering Committee Chair in cooperation with the CLCC Steering Committee in the absence of an Executive Director).

B. CLCC must comply with all federal and state regulations governing nonprofit activities. CLCC is also fully responsible for raising sufficient funds to cover operating expenses. The parties understand and agree that except for CFPA's administrative fee, funds raised by and on behalf of CLCC shall be used only for activities of CLCC. Furthermore, CFPA's internal accounting controls require sign-off by the CLCC Executive Director (or CLCC's Steering Committee Chair or the Steering Committee Chair's designee in the absence of an Executive Director) before any costs can be incurred or checks issued. All expenses approved for payment must be consistent with a current CLCC budget approved by the CLCC Steering Committee.

VI. Reporting

Grantee shall provide Grantor with its governing documents, a completed and filed IRS Form SS-4 or other documentation satisfactory to Grantor, showing Grantee's separate existence as an organization. Grantee shall notify Grantor immediately of any change in (a) Grantee's legal or tax status, and (b) Grantee's executive or key staff responsible for achieving the grant purposes.

Grantee shall submit a full and complete report to Grantor as of the end of Grantee's annual accounting period within which any portion of this grant is received or spent. The initial report for the 2010 calendar year shall be submitted by Grantee no later than March 1, 2011, and subsequent reports, if any, shall be due on the anniversary date of the initial report. The report shall describe the charitable programs conducted by the Grantee with the aid of this grant and the expenditures made with grant funds, and shall report on the Grantee's compliance with the terms of this grant.

VII. Lobbying

This grant is not to be used in any attempt to influence legislation within the meaning of IRC Section 501(c)(3), except for expenditures described in IRC Section 4911 as follows: up to \$15,000 for a combination of Grantee's "lobbying expenditures" and "grass roots expenditures."

Grantee shall not use any portion of the funds granted herein to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with IRC Section 501(c)(3).

VIII. Role of CLCC Steering Committee

The CLCC has a Steering Committee that includes leaders in land conservation – both policy and practice. While the CLCC Steering Committee has no legal or governing authority, it provides an important mechanism of accountability and support for projects. CLCC's Steering Committee is responsible for providing assistance in areas not covered by basic CFPA services, such as CLCC's program and policy development, fundraising, and organizational development. The Steering Committee also monitors and evaluates the performance of CLCC's Executive Director or CLCC staff in the absence of an Executive Director. The Steering Committee is welcome to provide CFPA with advice and recommendations regarding personnel, financial, and administrative matters as well as other issues related to CLCC. CFPA has a standing seat with full voting rights on the CLCC Steering Committee. It is agreed that CFPA will not serve as Chair of the CLCC Steering Committee while this MOU is in effect.

IX. Administrative Fee

An administrative charge of seven percent (7%) of all amounts paid to Grantee from the restricted fund shall be deducted by Grantor to defray Grantor's costs of administering the restricted fund and this grant. This charge covers all CFPA services described herein and in Attachment A. However, in instances where CFPA administers a grant from a government entity or another funding source that may require additional, non-standard tracking and reporting requirements or which would necessitate a special audit above and beyond CFPA's standard annual audit, CFPA reserves the right to increase the overhead charge up to an additional 3% to cover related increased costs. No increase in the standard overhead charge will be implemented without consultation with CLCC's Steering Committee Chair.

X. Property Rights

A. Any tangible or intangible property, including copyrights, obtained or created by CLCC as part of this project shall remain the property of CLCC. All proceeds received by CFPA from sales of materials developed by CLCC including licensing fees and royalties, shall be treated as income to CLCC.

B. Within 90 days of the termination of this Agreement, CFPA agrees, upon request of CLCC, and subject to all applicable laws and regulations, to assign to CLCC or its assignee all property rights for products developed in connection with or as a result of this Agreement, *provided, however*, that such transfer shall be in accordance with all applicable laws and regulations.

C. The advance written approval of CFPA's Executive Director or his/her designee is required prior to the publication by CLCC of any electronic or hard-copy information about CLCC, except that the following types of publications shall not require such advance approval:

- Routine updates of CLCC materials, including CLCC's website
- All correspondence, excepting (a) correspondence with funders which requires CFPA official signatures and (b) correspondence which involves public policy issues or might otherwise be considered lobbying
- Any reports or other documents required to be produced under the terms of a grant or contract

In cases where advance written approval is required, CLCC shall provide the material to be reviewed to CFPA sufficiently in advance to allow a reasonable time for review, but in no case less than 24 hours in advance. CFPA shall review and respond promptly.

CLCC agrees to consult with CFPA regarding printing CFPA's name on CLCC publications, but CFPA does not require such recognition.

XI. Indemnification

Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Grantor, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Grantee, its employees or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Grantor, its officers, directors, trustees, employees or agents. If a dispute arises out of this Memorandum of Understanding, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties agree to convene the mediation in Hartford County or Middlesex County in Connecticut, to require that the parties must have a decision maker with full authority to resolve the matter in physical attendance, and to share equally in any fees for the mediation.

XII. Term and Project Closure

A. This Memorandum of Understanding will remain in effect through December 31, 2010. It may be extended at any time prior to that date by mutual agreement of the parties. Either party reserves the right to terminate this Memorandum of Understanding in its sole discretion with no less than thirty (30)

days written notice to the other party. Notwithstanding the foregoing sentence, however, each party reserves the right to terminate the project at any time if it determines that the other party has engaged in unauthorized or illegal activities. CFPA also reserves the right to terminate the project at any time if it determines that the project has materially violated any CFPA policies.

B. Upon termination of the project, CFPA will, within a reasonable time, but no later than 60 days thereafter, transfer to CLCC or its assignee all funds in the accounts maintained by CFPA for the project, after accounting for all outstanding obligations, which obligations shall include CFPA's administrative fee, *provided, however*, that such transfer shall be in accordance with all applicable laws and regulations.

XIII. Amendments

This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut applicable to agreements made and to be performed entirely within Connecticut.

This Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, CFPA and CLCC have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

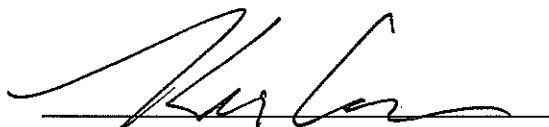
Connecticut Forest and Park Association, Inc.:



Eric Hammerling
Executive Director

3/25/10
Date

Connecticut Land Conservation Council:



Kevin Case
CLCC Steering Committee Chair

3/25/10
Date

Attachment A

Connecticut Forest and Park Association, Inc. (CFPA) will provide the following fiscal sponsorship services to the Connecticut Land Conservation Council (CLCC):

Legal and Corporate

- Serve as corporate home for CLCC, including 501(c)3 status
- Serve as legal employer, including compliance with all relevant government regulations and reporting requirements
- Provide commercial property and general liability insurance
- Sign commercial contracts, leases, and other legal documents on behalf of CLCC

Financial Management

- Establish dedicated bank account for CLCC funds
- Maintain books and include CLCC financial activity in CFPA annual audit
- Prepare monthly financial reports for CLCC
- Analyze monthly financial reports and inform CLCC of issues needing attention including but not limited to acceptance or potential denial of restricted gifts
- Process and pay bills to cover program needs
- Upon receipt of written request from CLCC, prepare and execute subcontracts with vendors and consultants
- Receive foundation, corporate and government funding on behalf of CLCC
- Prepare and submit financial reports, invoices, and required backup materials to funders
- Monitor and follow-up as necessary on receivables
- Receive and acknowledge (for tax purposes) donations on behalf of CLCC, including online donations

Human Resource Management

- Administer payroll and benefits
- Administer personnel policies
- Provide advice on recruitment and compensation
- Provide orientation for all new CLCC staff
- Provide advice and consultation on employee relations issues
- Provide input to CLCC Steering Committee on annual staff evaluations
- Monitor and report to CLCC on staff leave balances

Office Space, Communications, and Information Systems

- Provide address to receive/send mail
- Provide desk, chair, filing cabinet, and dedicated phone line for one staff person
- Provide codes to track printing, copying, and mailing expenses
- Provide email and internet connectivity
- Assist with major hardware and software purchases
- Provide assistance for major computer emergencies
- Provide referrals to vendors and consultants who provide web and computer services

CFPA's Fiscal Sponsorship team and CLCC will work together on the following:

- Prepare project budgets
- Prepare funding proposals
- Resolve employee discipline issues
- Register internet domain names and websites
- Communicate with funders
- Communicate with each other on a regular basis
- Assist with developing job descriptions and posting recruitment ads

CLCC assumes the following responsibilities in its agreement with CFPA:

- Develop its mission and core values
- Comply with all terms and conditions of grants, contracts, and other awards received on behalf of CLCC, including preparing narrative reports to funders
- Plan, implement, and manage program activities
- Secure program funds
- Recruit staff
- Conduct annual evaluations of all staff
- Designate a staff member as primary liaison with CFPA's Fiscal Sponsorship team
- Maintain and provide CFPA Fiscal Sponsorship team with documentation necessary for financial and human resources transactions
- Assure that all subcontracted work is completed as required; inform CFPA Fiscal Sponsorship team of any issues needing attention
- Provide lead supervision of all CLCC staff