

# Fiscal Sponsor and Fiduciary Agent Agreement

The Trust for Montana Libraries (Trust), a non-profit organization incorporated in the State of Montana

and

The Montana State Library Commission (MSLC), a Commission of the State of Montana

Agree that it is within the scope of the mission of the Trust, and the interest of the State Library, for the Trust to serve as fiscal sponsor and fiduciary agent for some grants , gifts, or other contributions from third parties for programs, services or projects conducted by the State Library for which the State Library would not otherwise have the legal standing to apply.

## The Trust's role as fiduciary agent:

1. The Trust agrees to act as fiduciary agent for money it receives from whatever source, which is intended for use by the State Library, and to disburse those funds upon approval by the MSLC.
2. When requested by the MSLC, the Trust assumes the role of applicant organization in funding requests and all related fiscal and administrative responsibilities.
3. The Trust places restricted gifts, grants, contributions and other revenues received by the Trust for the purposes of promoting the work of the State Library into a restricted fund to be used for the sole purpose for which it was given. All assets in this restricted fund are to be reported as income of the Trust, for tax purposes and for purposes of Trust financial statements. The Trust has variance powers necessary to treat the restricted fund as a Trust asset in accordance with Statement No. 136 issued by the Financial Accounting Standards Board while this Agreement is in effect.
4. All decisions associated with the budgeting of funds will be the responsibility of State Librarian as approved by the MSLC. The Trust will ensure such decisions are in compliance with the Trust's own policies and procedures, as well as in compliance with any requirements of the funder.
5. If allowed by the grantor, the Trust may receive up to 5% of non-governmental grant

awards and 10% of all government grant awards to be used for administrative expenses. The Trust reserves the right to refuse to serve as fiscal sponsor for grants that do not pay indirect costs. The State Library does not otherwise guarantee that the Trust will be compensated for its administrative duties. There will be no other reimbursement to the Trust under this MOA. The amount to be received by the Trust – if any - will be agreed to jointly with the MSLC, in advance of the grant proposal submission, and in agreement with the requirements and policies of the funder.

6. The Trust does not assume any responsibility should injury occur to a third-party, unless the liability is a result of fiscal management.

### The Trust's responsibilities:

1. Maintain appropriate accounting and financial systems to document receipt of funds, costs incurred, claims made.
2. Receive copies of all financial correspondence related to State Library accounts for which Trust is named as account holder.
3. Maintain separate records of disbursements related to State Library grant funds.
4. Make reimbursements as invoiced and approved by State Library representative.
5. Participate as signatory in contractual agreements with providers to State Library as necessary to accomplish grant requirements.
6. Prepare budget reports as requested by a State Library representative.
7. Aid in completion of budget reports required by grantors.
8. Keep receipts in accordance with Montana State Statutes and the requirements of the particular funder.
9. Make records available or upon request by the State Librarian should there be a financial audit of any grants made to the State Library.
10. Provide a representative to participate in meetings necessary to achieve the roles hereinafter set forth.

## State Library responsibilities:

1. Lead the application process for State Library grants.
2. Notify the Trust by email when a grant is received and send a thank you letter to the funder, noting the fiscal partner relationship between State Library and the Trust.
3. Initiate all agreements for contracts made as part of State Library that will be paid from accounts held at the Trust.
4. Collect all invoices on behalf of State Library and approve and submit to the Trust for payment.
5. Allocate budget funds to proper line items and monitor expenditures to preclude over spending.
6. Ensure budget reports required by funders are completed and submit final reports to funders.
7. Provide a representative to participate in meetings necessary to achieve the roles hereinafter set forth.
8. Assume responsibility, should injury occur to a third-party, unless the liability is one of fiscal management.

## Joint Responsibilities:

1. Share with one another copies of final grant proposals and reports for reporting and record keeping.
2. Participate in site visits from funders, except when both partners agree that only one representative is necessary.

## Term:

The initial term of this Memorandum of Agreement shall be for a period beginning January 1, 2020 and remain in effect through December 31, 2020.

## Amendment/Termination:

This MOA may be modified both parties by mutual agreement. Such modifications shall be in writing and signed by both parties. In the event that either party wishes to terminate the MOA, parties shall first meet to discuss the issues. If no resolution can be agreed upon, either party may, in writing, indicate the intent to terminate the MOA at the conclusion of the funding streams active at the time of dissolution. In the event of such a termination, all remaining financial assets shall become the property of the State Library.

This memorandum of understanding is made \_\_\_\_\_, 2019 and signed by executive officers of both the Trust and the State Library.

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Sara Groves, President  
The Trust for Montana Libraries

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Jennie Stapp, State Librarian  
Montana State Library