



PARTNERSHIP & FISCAL SPONSORSHIP AGREEMENT

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(Hosted Partnership Framework – VCS Academy)

Effective Date: _____

Parties:

- **VCS Academy CIC / VCS Academy USA** ("Sponsor"), a UK Community Interest Company and a registered U.S. 501(c)(3) nonprofit, with offices in London and Washington State.
- **[Partner Name]** ("Partner"), a registered NGO or Hosted Project in _____.

Article 1 – Purpose & Scope

This Agreement formalises a partnership in which VCS acts as fiscal sponsor for designated charitable projects ("Sponsored Programs") implemented by the Partner. VCS will receive and disburse project funds, ensure regulatory compliance, and provide oversight. The partner will design, manage, and report on program implementation. In the case of a Partnership Alliance, the sponsored project will work in coordination with the implementing NGO on the ground.

Article 2 – Definitions

- "Sponsored Program" means any project approved under this agreement.
- "Sponsored Program Funds" are donations or grants received by VCS for the Sponsored Program.
- "Steering Committee" is the governing body of the partnership, with two representatives from each Party.
- "Fiscal Hosting" refers to projects in which implementation is organised and facilitated through the "sponsored program."
- "Partnership Agreements" refer to hosted partners who fall under the implementation guidelines set forth by the ground coordinating partner, whereas



VCS facilitates the transfer of funds to the appropriate ground coordinating NGOs within the agreed framework.

Article 3 – Term & Renewal

This Agreement takes effect on the date above and remains active for one year. It auto-renews annually unless terminated with 30 days' notice.

Article 4 – Governance & Oversight

- **4.1 Steering Committee:** Approves proposals, budgets, and strategic directions.
- **4.2 VCS Role:** Fiscal sponsor, compliance monitor, fund disburser.
- **4.3 Partner Role:** Program design, implementation, local staff supervision, narrative and financial reporting.

Article 5 – Financial Management

- **5.1 Receipt & Control of Funds:** All donations for Sponsored Programs are VCS assets until disbursed.
- **5.2 Administrative Charge:** For fiscally hosted projects, VCS retains 5%. For Partnership Alliances, an additional 5% will be placed on U.S.-originating funds for OFAC and legal compliance.
- **5.3 Disbursement Conditions:** Payments are made upon submission of approved reports and expense documentation.
- **5.4 Transferring of funds:** All transfers to VCS outside of official donation links require a due diligence pre-authorisation form prior to any attempt to transfer bank-to-bank. All projects must include their assigned transfer reference code.
- **5.5 Audit Rights:** VCS may inspect financial records and systems of the Partner.

Article 6 – Proposal Process

All projects must be pre-approved. Proposals must include budgets, KPIs, and risk assessments (see Schedule 5).

Article 7 – Program Execution

Partner implements activities according to the approved plan. Any deviation requires written consent. Monthly and quarterly reports are mandatory.



Article 8 – Fundraising & Publicity

- **8.1 Use of Name:** The Partner must obtain written approval to use VCS’s name or status in public-facing materials.
- **8.2 Compliance:** All solicitations must comply with applicable fundraising regulations.

Article 9 – Legal & Regulatory Compliance

- **9.1 AML & OFAC:** All stakeholders must be screened against international sanctions lists.
- **9.2 Prohibited Activities:** No lobbying, electioneering, or unlawful use of funds is allowed.

Article 10 – Confidentiality & Data Protection

Partner must comply with GDPR/UK GDPR. See Schedule 1.

Article 11 – Record Keeping & Reporting

- **11.1 Templates & Deadlines:** Reporting schedule and templates appear in Schedule 4.
- **11.2 Failure to Report:** Results in funding suspension or claw back.

Article 12 – Indemnity & Liability

Each Party is liable for its own conduct. Damages are capped at the amount received over the prior 12 months, except in cases of fraud or gross negligence.

Article 13 – Dispute Resolution

Disputes escalate from internal negotiation to mediation, and then to binding arbitration under LCIA rules in London.

Article 14 – Termination

Either Party may terminate with 30 days’ notice. Final reporting and disposition of funds must follow Article 16 and Schedule 6.



Article 15 – Notices

All notices must be sent via courier or email with acknowledgement. Delivery is effective upon acknowledgement or receipt.

Article 16 – Miscellaneous

- **Amendments:** Written agreement of both parties required.
- **Assignment:** No Party may assign rights without written consent.
- **Entire Agreement:** Supersedes all prior verbal or written agreements.

Article 17 – Severability; Waiver; Counterparts

If any provision of this Agreement is held to be invalid or unenforceable, the remainder shall remain in full force. No waiver shall be effective unless in writing. This Agreement may be executed in counterparts, including electronic signatures.

Article 18 – Assignment & Sub-Contracting

No Party may assign, delegate, or subcontract its obligations under this Agreement without prior written consent from the other Party, which shall not be unreasonably withheld.

Article 19 – Relationship of the Parties

This Agreement does not create any joint venture, partnership, agency, or employment relationship. Each Party acts as an independent contractor. No Party may bind the other without express written authority.

Article 20 – Severability

In the event any provision is deemed unenforceable under applicable law, the remaining provisions shall continue in effect and be interpreted to best fulfill the original intent.

Article 21 – Entire Agreement

This Agreement, including all Exhibits and Schedules, constitutes the entire understanding between the Parties and supersedes all prior agreements, whether written or oral.



Article 22 – Force Majeure

Neither Party shall be liable for failure or delay in performing obligations due to acts beyond their reasonable control (e.g., natural disasters, war, sanctions, internet outages, pandemics). Force Majeure does not excuse already-incurred payment or refund obligations.

Article 23 – Execution

This Agreement shall be signed by authorised representatives of each Party. Electronic signatures and scanned copies are acceptable and legally binding.

Article 24 – Exhibits & Schedules

- * **Exhibit A:** Approved Grant Proposal (attached below)
- * **Exhibit B:** Partnership Manual (Operational Guidance)
- * Schedule 1: Data Processing Addendum (DPA)
- * Schedule 2: Insurance Requirements
- * Schedule 3: Safeguarding Statement
- * Schedule 4: Budget & Reporting Templates
- * Schedule 5: Grant Proposal Approval Framework
- * Schedule 6: Minimum Operational Standards for Sponsored Programs

Exhibit A – Approved Grant Proposal (SAMPLE)

Project Title: Rebuilding Hope: Safe Housing and Water Access in Northern Gaza

Location: Beit Lahia, Jabalia – Northern Gaza Strip

Implementing Partner: Kotof El-Khair (with logistical coordination by EMTN)

Duration: 12 months from fund receipt



Budget: USD \$400,000 (see Schedule 4 for breakdown)

Project Objectives:

- Restore access to clean water via two water well sites (currently suspended)
- Build transitional housing units for displaced and orphaned families
- Provide health and hygiene supplies to vulnerable groups

Target Beneficiaries:

- 40,000 orphans (direct and indirect)
- Displaced families, including disabled children, pregnant women, and the elderly

Key Indicators:

- # of water access points reactivated
- # of housing units constructed and inhabited
- # of families fed
- Monthly M&E and donor KPI tracking

Sustainability Strategy:

- Local employment and procurement
- NGO coordination on maintenance
- Transition to local authority management where possible

Risk Mitigation:

- Land acquisition challenges addressed through local council cooperation
- OFAC screening of all vendors and recipients

**Compliance Statement:**

All activities comply with applicable UK/US/Palestinian law and donor regulations.

Exhibit B – Partnership Manual (Operational Guidance)**Overview:**

This manual supplements the Agreement with practical protocols for implementation, communication, and compliance.

Section 1 – Governance

- **Steering Committee:** Two reps per Partner; monthly reviews; strategic approvals
- **Roles clarified:** VCS = Fiscal Sponsor; Partner = Field and/or Fundraising Implementer

Section 2 – Financial Flow

- VCS receives all funds
- Partner submits expense reports and pre-authorised reimbursement requests (or direct vendor payment)
- U.S. transactions incur an extra 5% due to OFAC overhead

Section 3 – Communication & Branding

- Co-branded templates provided by VCS
- Public messaging reviewed by VCS before release
- Donor narratives must align with impact indicators and compliance narratives



Section 4 – Reporting Calendar

(See Schedule 4)

Section 5 – Training

- Mandatory safeguarding & AML training for all staff
- VCS Academy provides online compliance modules quarterly

Section 6 – Termination Procedure

(See Article 16)

- Written notice
- Final narrative + finance reports
- Reallocation of funds as per donor rules



Schedule 1 – Data Processing Addendum (DPA)

1. **Roles:** VCS is "Controller"; Partner is "Processor."
2. **Purpose:** Personal data may include donor, beneficiary, and project personnel information.
3. **Obligations:**
 - Follow documented instructions only
 - Secure data storage, limited access
 - Breach notification within 48 hours
4. **Retention:** Data must be deleted or returned 30 days after termination unless otherwise required.
5. **International Transfers:** Must comply with legal safeguards (e.g., SCCs, UK Addendum).
6. **Audit:** VCS may audit compliance with 10 days' notice.

Schedule 2 – Insurance Requirements *(or expressly decline and accept liability)*

1. **Minimum Coverage:**
 - General Liability: USD 1M/occurrence; USD 2M/aggregate
 - Professional Liability: USD 500K/claim
 - Employer's Liability: As per law
2. **Proof:** Submit insurance certificates within 30 days of agreement and upon renewal.
3. **Cancellation:** 30 days' notice required.
4. **Non-compliance:** Failure to maintain coverage is a material breach.

Schedule 3 – Safeguarding Statement

1. **Commitment:** Zero tolerance for abuse.
2. **Standards:** IASC Minimum Operating Standards.
3. **Reporting:** Incidents reported to VCS within 24 hours.
4. **Investigations:** Must be confidential and completed within 30 days.
5. **Training:** Annual training required for all field personnel.

Schedule 4 – Budget & Reporting Templates

1. **Templates Include:**
 - Budget: Personnel, travel, supplies, M&E
 - Reporting: Variance tracking ($>\pm 10\%$ triggers review)
2. **FX Rules:**
 - Mid-market rate on 23rd of month
 - 3% FX buffer allowed
3. **Deadlines:**



- Monthly: Financial + narrative by 10th
 - Quarterly: KPIs + summary by 15th
 - Annual: Audit + final impact within 90 days
4. **AML Protocols:**
- Transfers >USD 50K require dual sign-off and compliance form

Schedule 5 – Grant Proposal Approval Framework

1. **Required Elements:**
 - Clear objectives and timeline
 - Risk assessment and mitigation
 - Compliance disclosures
 - Budget and sustainability plan
2. **Approval Process:**
 - Reviewed by VCS Compliance Officer
 - Requires Steering Committee sign-off

Schedule 6 – Minimum Operational Standards

1. **Governance:**
 - Transparent accounting
 - Separation of donor funds
2. **Personnel:**
 - Trained staff with background checks
3. **Security:**
 - Document retention and encrypted storage
4. **Oversight:**
 - Full cooperation with VCS audits and donor reviews

End of Agreement Document – Prepared by VCS Admin on 16 June 2025



TERMINATION NOTICE TEMPLATE

Date: _____

To:

- VCS Academy CIC / USA
- [Partner Name]

Subject: Termination of Partnership & Fiscal Sponsorship Agreement

Dear [Recipient Name(s)],

Pursuant to Article 14 of the above-referenced Partnership & Fiscal Sponsorship Agreement, the undersigned party hereby provides formal written notice of its intention to terminate the Agreement. This notice satisfies the required thirty (30) days' notice period, unless otherwise agreed by mutual consent.

Effective Termination Date: _____

Reason(s) for Termination:

- _____
- _____

Obligations to be Completed Prior to Termination:

- Financial reconciliation
- Submission of final narrative and financial reports
- Reallocation or return of unspent donor funds
- Secure transfer or archiving of program records

Proposed Timeline for Reconciliation:

- Start Date: _____
- Completion Date (no later than 45 days post-termination):

We affirm our commitment to cooperate in good faith during the wind-down phase and ensure all donor obligations are honoured.

Sincerely,



[Name]

[Title]

[Organisation]

Date: _____

ACKNOWLEDGEMENT OF RECEIPT

The undersigned hereby acknowledges receipt of this Termination Notice and agrees to collaborate on reconciliation and close-out activities as outlined.

[Name]

[Title]

[Organisation]

Date: _____