

ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 20__, by and between _____, a [State of Incorporation] nonprofit corporation (the "Foundation"), and _____, a [State of Incorporation] corporation (the "Corporation").

WHEREAS, the parties have a mutual interest in a cooperative arrangement which will assist and advance the achievement of the aims and objectives of each organization; and

WHEREAS, the Corporation has staff and other employees who are skilled in providing executive, management, supervisory, administrative, accounting, and other services; and

WHEREAS, in order to contain operating costs and eliminate the need for duplicative services and staff, the parties agree that it is in their mutual interests for the Corporation to provide certain staff services and facilities to the Foundation on the terms and conditions contained in this Agreement.

NOW, THEREFORE, it is agreed as follows:

1. Services Provided. The Corporation will provide to the Foundation, executive, management, legal, supervisory, accounting, and other professional or managerial services (the "Services") as requested from time to time by the President or Executive Director of the Foundation. The Services will be provided upon the terms and conditions set forth in this Agreement; provided, however, all of the Services must qualify as "personal services" pursuant to Treas. Reg. §53.4941(d)-3(c)(1) and be reasonably necessary to carry out the exempt purposes of the Foundation.

2. Facilities Provided. The principal office of the Foundation will be housed at the facilities of the Corporation without charge.

3. Performance of Services. The Corporation will employ those persons as are necessary to enable it to carry out its responsibilities under this Agreement and will have full authority to determine their duties, rates of compensation, and other terms and conditions of employment. The Corporation may cause some of the Services to be performed by its employees, who also perform other duties and functions, or it may contract with third parties to perform those services.

4. Designation of Manager. The Corporation will designate a manager (the "Manager") who will direct and be responsible for the Services provided to the Foundation. The Manager may appoint delegates to act on his or her behalf.

5. Supervision of Employees. The Foundation will grant to the Corporation the authority and responsibility necessary to carry out the Services. The Corporation will be solely responsible for the payment of all wages, fringe benefits, withholding taxes, and other payments required to be made with respect to any employees of the Corporation who are providing the Services. Those persons providing the Services to the Foundation are subject to the right of the Corporation with regard to promotion, supervision, and discharge, and are subject to the direct supervision of the Manager, or his or her delegate.

6. Filing of Reports, Returns, Etc. The Corporation will prepare and timely file all necessary statements, documents, forms, and reports, including those for withholding taxes, Social Security taxes, worker's compensation, disability insurance, the Fair Labor Standards Act, and all other statements, documents, forms and reports required in connection with its employees who are providing the Services to the Foundation.

7. Payment of Costs. The Foundation will reimburse the Corporation for all costs reasonably and necessarily incurred by the Corporation in providing the Services. The costs include, but are not limited to, the following:

- (a) Reasonable amounts paid to all independent contractors, including, but not limited to, attorneys, accountants and consultants, for Services provided to the Foundation, and
- (b) A reasonable allocation of salaries, wages, employee benefits, and the employer's share of payroll taxes of all employees employed by the Corporation in providing the Services.

The following items will be provided by the Corporation without charge to the Foundation or will be purchased by the Foundation directly from suppliers:

- (a) supplies, postage, copying and printing; and
- (b) overhead costs, including debt service with respect to the financing of facilities, and depreciation of furniture, fixtures, equipment and computers, etc.

8. Accounting and Payment for Services. Each of the parties will maintain adequate records necessary to account for the Services. An accounting for all costs incurred pursuant to this Agreement will be completed on a semiannual basis or such other period as agreed between the parties. Promptly after an accounting is completed and following review and approval by the Foundation, the Foundation will reimburse the Corporation for the amount of the costs incurred by it.

9. Term. This Agreement will be effective as of the date of this Agreement and will continue until terminated as provided below.

10. Termination. Either party may terminate this Agreement by providing the other party with sixty (60) days prior written notice. As soon as practicable after termination, an accounting will be prepared as provided in Section 8, and the Foundation will pay any amount due the Corporation promptly thereafter. Upon making a full and complete settlement of accounts, neither party will have any further obligation or liability under this Agreement.

11. Additional Parties. With the prior written consent of both of the parties, any corporation or entity affiliated with either of the parties may become a party to this Agreement by executing a document agreeing to abide by the terms and conditions of this Agreement.

12. Governing Law. This Agreement is made pursuant to, and is governed by, construed under and enforced in accordance with the laws of the State of _____.

13. Invalidity. The invalidity or unenforceability of any particular provision of this Agreement will not affect its other provisions, and this Agreement will be construed in all respects as if the invalid or unenforceable provision were omitted.

14. Assignment. This Agreement is binding upon, inures to the benefit of and is enforceable by the successors and assigns of the parties, provided that no assignment of this Agreement will be effective without the express written consent of the other party.

15. Section Headings. The section headings in this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement, nor are they deemed to constitute a part of this Agreement.

16. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed to be an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement on the day and year first above written.

FOUNDATION

By: _____

Its:

CORPORATION

By: _____

Its: