



# SOUTHERN Conservation Partners

## PROJECT FISCAL SPONSORSHIP AGREEMENT

Between

**Southern Conservation Partners and the North Carolina Biodiversity Project**  
**Arranging for Southern Conservation Partners to serve as Project Fiscal**  
**Agent for the N.C. Biodiversity Project**

This Agreement is made and entered into on \_\_\_\_ February, 2017, by and between Southern Conservation Partners, Inc., (also referred to in this agreement as SCP or Project Fiscal Agent), a 501(c)(3) public charity organization, and the North Carolina Biodiversity Project (NCBP) (with Stephen Hall serving for purposes of this agreement as principal Contact person on behalf of the NCBP). The NC Biodiversity Project application for project fiscal sponsorship submitted to Southern Conservation Partners on December 7, 2016, is considered to be part of this Agreement.

### Purpose of this Agreement

The purpose of this Agreement is to establish the policies and process for Southern Conservation Partners, Inc., to financially assist and serve as fiscal sponsor for the NC Biodiversity Project. This agreement between the Southern Conservation Partners and the North Carolina Biodiversity Project is intended to form a limited partnership for the purposes of securing and administering grants to support the education, scientific, and conservation activities of the NCBP. By execution of this agreement, Southern Conservation Partners accepts the NC Biodiversity Project for fiscal sponsorship as a project in accord with SCP's mission and purposes. However, the NCBP maintains its independent status, and SCP, in its role as sponsor and fiscal agent, does not have ownership of any part of the NCBP's work products. SCP, in its role as project fiscal sponsor and agent, agrees to help secure grant funds and contributions in support of the NCBP for uses and end products described in this agreement and the NCBP's approved application for SCP project sponsorship. This agreement is in conformance with the Southern Conservation Partners policies and guidelines for providing fiscal sponsorship for a project.

Southern Conservation Partners, Inc., was organized, incorporated, and received US Treasury IRS certification as a 501(c)(3) tax-exempt, public charity in late 2014. The mission of Southern Conservation Partners (SCP) is focused on building partnerships to conserve and honor the South's natural and cultural heritage. Its principal purpose is to help locally-focused

organizations and communities across the southern U.S. to save, honor, defend, enhance, restore and sustain premiere environmental resources and natural heritage assets. Southern Conservation Partners cultivates and supports environmental leadership and community-focused endeavors by serving as an incubator and service center for start-up natural resources conservation programs and projects, providing assistance, including by project fiscal sponsorship, to individuals and groups with new and innovative ideas that promote environmental sustainability and protection. SCP's project support is its principal means to advance its conservation goals by providing fiscal sponsorship for groups and creative individuals needing an organizational umbrella to initiate locally and community-focused projects consistent with SCP's mission of land conservation and environmental protection. With SCP providing necessary administrative, legal, and financial support, the leaders of sponsored projects can focus on their primary goals and accomplish the project objectives. [For more information consult the SCP website: [www.ConservationSouth.org](http://www.ConservationSouth.org) .]

The NCBP is a private, unincorporated association whose mission is to promote public interest in and knowledge of the state's native species and ecosystems and to increase public support for biodiversity conservation. The NCBP team is composed of taxonomic experts, conservation biologists, nature photographers, and amateur naturalists that have had a long history of studying particular groups of species. Their aim is to share the knowledge and enthusiasm that they possess, not just within the traditional circle of scientists, naturalists, and conservationists, but to draw in a much larger segment of the public, in the belief that effective conservation of native species and ecosystems needs to have as wide and as well-informed a base of public support as possible.

The intent of the NCBP is first focused on the creation of a series of taxonomic websites that provide detailed and comprehensive information on the native biodiversity of North Carolina, and in a form that is accessible and useful to the general public as well as meeting the scientific accuracy required by biological researchers and conservationists.

Six websites have been developed so far, which in chronological order are:

- Butterflies of North Carolina<sup>1</sup> (LeGrand and Howard, 2010)
- Birds of North Carolina (LeGrand and Howard, 2011)
- Dragonflies and Damselflies of North Carolina (LeGrand and Howard, 2012)
- Mammals of North Carolina (LeGrand and Howard, 2013)
- Moths of North Carolina (Hall, Sullivan, Backstrom, Lynch, and Howard, 2014)
- Plant-, Leaf-, and Tree-Hoppers of North Carolina (Kittleberger, Scharf, and Howard, 2015)

As of this date, all of these websites except for Birds are managed and publicly-accessible through a Memorandum of Agreement signed by the NCBP, NC Division of Parks and Recreation (NC DPR), and the Department of Natural and Cultural Resources (NC DNCR). Under that MOA, NC DPR provides the server, IT support, and the expertise needed to create and maintain the websites. See the existing public websites at: [www.dpr.ncparks.gov](http://www.dpr.ncparks.gov) [I tried this and it was a

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dead link]. NCBP, in turn, provides the content, vets all new information, and otherwise ensures the accuracy and scientific validity of the information presented on the websites. Both organizations share the same goals of conserving the state's natural diversity through increasing the awareness, appreciation, and participation of the public in this effort. NC DPR gains directly from this partnership by obtaining expert vetting of all species records coming from its park units, as well as receiving information relevant to the management of the biodiversity resources it is charged with protecting. NCBP benefits from the financial support given by NC DPR to maintaining the websites, which allows it to remain an organization run primarily through the efforts of volunteers. As of December 6, 2016, five of the six prepared websites were fully on line and work had commenced on restoration of the one last website still offline. As this partnership proves its value, NCBP hopes to form additional partnerships with other conservation agencies, both public and private, with researchers working in taxonomy, ecology, and conservation, and with environmental educators. A proof of success for the NCBP goals will lie in public participation, with general public submission of records for addition to and revision of website content.

### **Project Fiscal Sponsorship and Structure of Relationship**

SCP and the NCBP team will work together to secure funds from private foundations and from other public and private contributors in support of the project. SCP is a nonprofit public benefit corporation established under the laws of the State of North Carolina, and it is a tax-exempt public charity under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The NCBP is established as an unincorporated association of professional and amateur biologists, and has no employees. NCBP activities are expected to be in compliance with federal and state rules governing 501(c)(3) organizations. Under this agreement, the NCBP accepts fiscal sponsorship by the SCP in order to seek and receive grants from other organizations or individuals to support particular activities of the NCBP. Funding obtained through this agreement will be used solely in a manner consistent with the guidelines established for 501(c)(3) organizations. The members of the NCBP group are not employees of the SCP. Apart from ensuring compliance with federal and state regulations regarding the use of grant moneys, SCP will not play any role in supervising or managing the activities of the NCBP, except to ensure that products required by project funders are produced and reports provided by the NCBP.

All materials purchased in the course of a particular grant and all products generated by NCBP with the help of funding provided by grants obtained through this relationship are the property of the NCBP.

This agreement solely reflects the relationship between the SCP and the NCBP; it does not alter the agreement that the NCBP has with its main public partner, the NC DPR, as described in the MOA established between the NCBP and the NC DPR. NC DPR is not a party to the fiscal sponsorship arrangement between the NCBP and SCP.

## **Roles of Participants**

SCP shall serve as fiscal agent for the project funding NCBP receives from program financial sponsors/supporters, as solicited and recruited by the NCBP leaders. It is understood and agreed that the principal role for SCP as fiscal agent is to receive funding from program financial sponsors and contributors in its capacity as a tax-exempt 501(c)(3) public charity organization, and SCP will convey such grants and contributions in support of the project to the NCBP Contact Person according to a schedule agreed upon by the two parties. This includes any direct payments to vendors or contracted individuals associated with the project. SCP will notify and provide project funders/contributors with acknowledgement letters to document their tax-deductible contributions to the project.

The SCP will assist the NCBP in identifying potential sources of funding for NCBP projects. However, it is anticipated that grant applications will be, in most cases, written and submitted by the NCBP itself, specifying the need and uses for the funding and the way the specific project will be implemented by the NCBP. The SCP will be directly responsible for receiving the grant money and disbursing it under a schedule agreed upon by both parties. A record of all financial transactions involved for a particular grant will be maintained by the SCP and reported to the IRS following procedures established for 501(c)(3) corporations.

It is anticipated that for each grant awarded to and through SCP in support of the NCBP, a written grant agreement will be executed between SCP and NCBP, in accordance with but in supplement to this overall Project Fiscal Sponsorship Agreement, which will set forth the specific terms and conditions that apply to the project's use of the grant funds and relations with and obligations to the funding source.

## **Activity Reports Expected from the North Carolina Biodiversity Project**

The NCBP team will provide written project activity reports to SCP at minimum annually (i.e., the first one in December 2017, and in December of all following years).

## **Administrative Fees**

In order to cover the costs of providing its services for sponsored projects, SCP retains a small percentage of all gross revenue it receives derived from funding sources in support for a particular project. This administrative overhead will be reserved for SCP expenses incurred for management for the sponsored project. This administrative overhead relates to directly soliciting, tracking, auditing and reporting requirements expected by project funding sources. SCP charges a lower rate for its administrative costs for private funding sources for its sponsored projects, and slightly higher rates for its administrative costs for public funding sources due to increased reporting and accounting requirements by governmental agencies.

It is understood and agreed that SCP shall retain a percentage of all funds it receives for the project as its fee for administrative, reporting, and accounting costs in its responsibilities as fiscal agent for this project, in accordance with the following schedule:

- \* SCP will retain 5 (five) percent of project contributions received in amounts in excess of \$250 from private (i.e., non-government or public agency) sources for donations and grants directly solicited by the project leaders; SCP will retain eight (8) percent of donations and grants directly solicited by SCP for support of the project.
- \* SCP will retain 10 (ten) percent of project contributions received in support of the project in amounts in excess of \$250 from governmental/public agency sources;
- \* SCP will retain 10 (ten) percent of contributions for this project in amounts less than \$250 received from any source.

### **Program and Branding**

The NCBP and SCP agree to provide mutually beneficial information about the project and their partnership on their respective websites and in other marketing formats as appropriate.

### **Mutual Indemnification**

It is agreed and understood that neither the SCP nor the NCBP has any obligations or responsibilities for issues related to death, injury, property damage or any issue related to this project as involves one party but not the other, and that the liability for such issues is fully incumbent upon each of the members of the respective parties. It is agreed and understood that SCP has no obligations or responsibilities for issues related to death, injury, property damage or any issue related to this project for which SCP has no control, and that the liability for such issues is fully incumbent upon each of the Project leaders individually.

The NCBP members shall indemnify and hold harmless SCP against the full amount of all costs, losses, damages, liabilities, expenses, penalties, fines and any actions, whatsoever, including reasonable attorneys' fees and paralegal's fees (whether at a pretrial, trial or appellate level) if such arises from or be claimed against SCP by any person or persons for any damages in connection with, or arising from any breach of any of the NCBP's representations, warranties, and/or covenants contained herein, or other breach of material term of this Agreement.

The SCP shall likewise indemnify and hold harmless the NCBP and its individual members against the full amount of all costs, losses, damages, liabilities, expenses, penalties, fines and any actions, whatsoever, including reasonable attorneys' fees and paralegal's fees (whether at a pretrial, trial or appellate level) if such arises from or be claimed against the NCBP by any person or persons for any damages in connection with, or arising from any breach of any of the SCP's representations, warranties, and/or covenants contained herein or other breach of material term of this Agreement.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

## **Terms of this Agreement**

This Fiscal Sponsorship Agreement remains in effect from the date of its approval and joint signatures by representatives of the parties for an unlimited time period, unless amended by joint agreement of the parties, or until the relationship is terminated by written notice by either party, or until a new or amended Agreement is approved by both parties.

The NCBP's Application for Project Fiscal Sponsorship by SCP (dated November 28, 2016, and submitted on December 7, 2016) and approved by the SCP Board of Directors on December 12, 2016, is considered part of this Agreement, and will serve as the accurate project description unless altered by mutual agreement of both parties.

## **Project Termination or Transition**

Both parties reserve the right to terminate the agreement at any time upon written notice and just cause, if either determines that unauthorized or illegal activities have been engaged upon or that any agreed upon policies have been violated. Also, in event that the relationship between the SCP and NCBP becomes programmatically and/or financially inactive, either the SCP Executive Officer, with approval from the SCP Board of Directors, or the membership of the NCBP, under a majority vote, may close the project.

### **Agreement by Signature:**

Each of the undersigned parties understands and accepts the foregoing terms of this agreement.

### **NCBP Contact Person on behalf of the Project Leaders of the North Carolina Biodiversity Project**

Name: Stephen P. Hall

Address (physical): 105 Braswell Place, Chapel Hill, NC 27516

Contact telephone #: 919-942-8451 Email address: stephenphall@outlook.com

Signature:

Stephen P. Hall

Date:

2/13/17

### **For Southern Conservation Partners, Inc.:**

President and Chief Executive Officer: Charles (Chuck) Roe

PO Box 33222, Raleigh, NC 27636. Tel. 919-500-6598 (office), 919-600-9893 (cell);

Email: croe@conservationsouth.org

Signature:

Charles Roe

Date:

2/13/17

## **APPENDIX A. NCBP APPLICATION FOR SCP PROJECT SPONSORSHIP**

### ***Project Fiscal Sponsorship Application to Southern Conservation Partners, Inc., for the North Carolina Biodiversity Project group***

#### **Contact Information**

*Date:* November 28, 2016

*Name of Project:* North Carolina Biodiversity Project

*Project Leader:* [None]

*Contact Name:* Stephen Hall

*Contact Address:* 105 Braswell Place

*City, State, Zip:* Chapel Hill, NC, 27516

*Contact Email:* stephenphall@outlook.com

*Telephone contact phone number(s):* 919 942-8451

#### **Project Summary**

*Summary:* (see attached Description, Articles of Association, and Memorandum of Agreement)

*Project Need:* The rich diversity of native species and ecosystems in North Carolina is rapidly disappearing due to human activities. Although the scale and pace of these losses should be a major concern to the human inhabitants of the state, much of the public is only vaguely aware of this crisis, which places a severe limitation on any efforts to reverse, or at the very least, reduce these losses. Our project aims to increase public awareness of these issues, to build a wider base of support for biodiversity conservation, and to invite the public to become active partners in efforts to protect the quality and sustainability of the habitats of all species of the state.

#### **Project Details**

##### **Project Description**

1. *Strategy/Objectives:* The NCBP is a private, non-profit, educational, scientific, apolitical and non-lobbying association. We are working in partnership with the state's Division of Parks and Recreation (NC DPR) to create a series of websites that make information on the full range of our native species easily accessible to the public. For each species included within a given website, a species account provides photographs of the species that were taken in North Carolina; a map of its recorded occurrences within the state; a description of its identifying features; and information on habitat associations, observation methods, and conservation status. Currently, we have developed websites for Mammals, Butterflies, Odonates, Moths, and

Hemipteran Hoppers, collectively covering 3,770 species. A website on the state's 252 species of grasshoppers, crickets, and katydids is also about to be opened and we have additionally developed checklists for the state's reptiles and amphibians, vascular plants, bees, and tiger beetles. As we are able to recruit more experts to our group, more websites will be developed following the templates we have established. Funding for creating and maintaining the server and software of the websites is supplied by the state, whereas NCBP provides the content and quality control for the websites primarily on a voluntary basis. Additional funding is being sought for special projects, including the development of a separate website for the NCBP, extraction of records from museums and other institutional collections, recruitment of experts to determine the "vettability" of photographs and other non-specimen-based

records, and for other improvements to the websites. An outline of these projects, along with their projected funding needs, is attached.

2. *Uniqueness*: Although there are already a number of websites in existence that serve the interests of citizens interested in biodiversity and that invite public participation, we differ in a number of respects: 1) we focus our efforts solely on North Carolina, consistent with our grassroots approach to conservation; 2) we focus not only on identification but more importantly on habitats and conservation status, particularly as they exist in North Carolina; 3) while we aim to include all species within a given taxonomic group, we give particular attention to species that are rare and declining, not only globally but specifically in North Carolina; 4) while we cover groups that are popular with the public, supporting already established interests, we also give attention to groups whose public appreciation is less than they actually merit in terms of their overall diversity and their ecological importance, e.g., moths, orthopterans, and other invertebrate taxa; 5) the NCBP itself does more than just serve as an information source; we take an active role in adding our own records, vetting submitted records, and interpreting the results, particularly in formulating conservation and management recommendations. Although we consider ourselves to be at least somewhat unique in the above respects, given the magnitude of the biodiversity crisis, we hope that other states or regions will adopt similar approaches, with similar emphases on habitats and conservation at the local level.

3. *Community/Public Support*: This project is aimed primarily at the education and engagement of the public in the appreciation and protection of the state's biodiversity. Our main goal is to make the public our partners in these efforts by providing them with both a way to contribute records as well as to extract information relevant to biodiversity conservation specifically in our state.

### **Budget and Financing**

4. *Fundraising and Budget*: The routine work of the NCBP has been done on a voluntary basis and we do not have any membership dues; consequently, we do not have a formal budget. Funding for special, time-limited projects will be sought as needed.

5. *Diversity of Funding*: Apart from the routine work and special projects, the NCBG may advertise the services of its individual members for conducting biodiversity surveys of particular natural areas, habitat types, or regions. Unless and until we decide to incorporate as a 501(c)(3) organization, we do not plan to receive membership dues or to solicit donations from the general public to support our work.

### **Expectations**

6. *Project Timeline*: The NC Biodiversity Project intends to operate indefinitely, keeping continuous track of the state's species and ecosystems. We also intend to expand our coverage of taxonomic groups, looking to develop new websites as we are able to recruit experts on those groups.

7. *Fiscal Sponsorship Needs*: The NCBG currently is not incorporated as a 501(c)(3) organization. Where funding is sought for special projects, the fiscal sponsorship of a 501(c)(3) umbrella organization, such as the Southern Conservation Partners, will be sought.

### **Qualifications**

8. *Qualifications*: The resumes/CVs of the members of the NCBP are provided. Our group is composed of dedicated naturalists who are passionate in their interests in particular groups of species. All of our members have been long involved in field surveys, with much of the taxonomic, ecological, and conservation information in our websites coming directly from their efforts. We have several

professional (some retired) biologists in our group as well as students that are just beginning their careers in biodiversity science. Two of our members are recipients of the Thomas L. Quay Wildlife Diversity Award, given by the NC Wildlife Resources Commission to individuals who make outstanding contributions to wildlife diversity conservation in North Carolina. One of our members has authored or co-authored the descriptions of 18 new species – nine in North Carolina -- and four have had species named after us by other authors; one of our members has been honored in this way of eight times!

9. *Legalities:* The NCBP is a private, non-profit association working in partnership with the North Carolina Division of Parks and Recreation (NCDPR). As specified in a Memorandum of Agreement (attached), NCDPR provides the server, creates and maintains the website architecture, and provides additional IT support – including security – for the websites, while the NCBP provides the written content and maintains quality control for all data entered into the websites. Members of the NCBP are not paid for their work by NCDPR, nor are they otherwise considered employees of the state. We currently are not seeking to incorporate as a 501(c)(3) organization, although we otherwise meet the requirements of an essentially education-, science-, and conservation-oriented group; we do not conduct any lobbying or are otherwise involved in political activities.

#### **Other Information**

10. *Other:* Although the NCBP is new as a formal organization, some of the websites that we now support have a much longer history. The Butterflies of North Carolina project was initiated by Harry LeGrand and Tom Howard in 1993, first appearing as a downloadable pdf file in 1993 and as a full website in 2010. This model having proved successful was followed by the Birds of North Carolina– now transferred to the management of the Carolina Bird Club – in 2011, Odonates in 2012, Mammals in 2013, and Moths in 2014. Although there was a year-long hiatus in public display following a hack of a state server, work continued on these projects during the interim and the sites are now all back online. This episode, though unfortunate, demonstrated the resiliency of this project and the partnership we have formed with NC DPR is now stronger than it was before.