**Sample Grant Agreement**

Sample to Modify

**Grant from One U.S. 501(c)(3) Charitable Organization to**

**a Non-U.S. Charitable Organization**

This Grant Agreement is entered into as of *[month day]*, *[year]* by and between *[Ministry X]*, a *[name of state]* nonprofit corporation (“Grantor”), and *[Ministry Y]*, a *[name of jurisdiction/country]* charitable corporation (“Grantee”), with respect to the following:

**RECITALS**

1. Grantor is classified for U.S. federal tax law purposes as a public charity, exempt under Section 501(c)(3) of the Internal Revenue Code.
2. Grantee is a non-U.S. organization, established and conducting activities outside of the United States.
3. Grantor has determined that a grant to Grantee, according to the purposes and to the terms and conditions stated below in this Agreement, will further Grantor’s charitable purposes by *[describe how grant relates to Grantor’s mission or areas of interest].* For compliance with U.S. law, Grantor is not relying on Grantee’s legal status in *[name of country/jurisdiction]* but upon this agreement, which obligates Grantee, by contract, to hold the grant funds in a restricted account and to comply with U.S. nonprofit law and exempt organization law restrictions on the use of such funds.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations created hereby, Grantor and Grantee agree as follows:

1. **Grant Amount and Disbursement.** Upon Grantee’s execution and delivery of this Agreement to Grantor, Grantor shall disburse to Grantee $\_\_\_\_\_\_\_\_\_\_\_\_\_ in the form of *[describe: check, wire transfer, etc.]* to *[address, bank, wire transfer number etc.]*

1. **Grant Duration.** The grant period for expenditure of these funds will commence on the date of this agreement and end on *[termination date]*. Extension of the grant period may be made in unusual circumstances, but only upon the express written authority of *[Ministry X]* made pursuant to a request received before the expiration of the original grant period. Any portion of the funds not used within the grant period and/or for the purpose stated above, must be immediately returned to *[Ministry X]*.
2. **General Charitable Purpose and Specific Uses of Grant.** Grantor is making this grant, in furtherance of the following charitable project or general charitable purpose *[describe charitable project or general charitable purpose]* and for the following specific uses *[describe the specific uses for which the grant may be spent, such as “compensation and other administrative expenses as requested in the grant proposal dated (insert date).”].* Grantee shall hold the grant funds in a restricted account, and no other funds shall be comingled in that account. All funds in that restricted account, including any income received and disbursements paid out shall be held and used solely for the *[charitable project or purpose and specific use]* described above, and Grantee shall repay to Grantor any portion of the amount granted which is not distributed for that specific use. Any changes in the purposes or use for which grant funds are spent must be approved in writing by the Grantor before implementation. All activity funded with this grant shall occur outside of the U.S.
3. **Reporting by Grantee.** Starting with Grantee’s first fiscal year in which any portion of the grant funds is received and continuing annually until the grant funds are expended in full or the grant is otherwise terminated, Grantee shall submit a full and complete report to Grantor as of the end of each such fiscal year, within *[ninety days or some other reasonable time]* after the close thereof. Such report (1) shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made, (2) shall detail all ex­penditures made from the granted funds (including salaries, travel, and supplies), and (3) shall report on the Grantee’s compliance with the terms of this grant during that fiscal year. In addition, Grantee’s final annual report shall address Grantee’s progress toward the grant’s purposes and aggregate expenditure information over the entire term of the grant. Each such report shall be signed by an authorized officer, director, or trustee of Grantee. The final report shall contain the following certification “The *[authorized officer, director, or trustee of Grantee]* hereby certifies that no grant funds have been used to support terrorism or for any other use prohibited by Section 6 below,” followed by the signature of the certifying person and title.
4. **Recordkeeping and Accounting.** So long as any portion of the grant funds remain unexpended, Grantee shall continuously maintain the funds or assets granted hereunder in one or more separate funds or accounts on its books, each of which shall be dedicated and restricted to the specific charitable purposes described in Paragraph 2 of this Agreement. Expenditures made in furtherance of the purposes of the grant may be charged against such account(s) and shall
ap­pear on those books. Grantee shall keep records and receipts to substanti­ate such expendi­tures. Grantee shall make such books and records available to Grantor at reasonable times, as requested by Grantor. Grantee shall keep copies of all books and records and all reports to Grantor for at least four years after completion of the use of the grant funds. Grantor is hereby authorized to conduct an audit of Grantee’s books and records, and Grantee shall cooperate fully with any such audit authorized or conducted by Grantor.
5. **Secondary Grantees.** Except as provided in Section 2 above, with regard to the selection of any secondary or sub-grantees to carry out the purposes of this grant, Grantee retains full discretion and control over the selection process, and shall act completely independently of Grantor, and Grantor has not earmarked the grant funds for any such secondary or sub-grantee, and there is no agreement, written or oral, by which Grantor may cause Grantee to choose any particular secondary or sub-grantee.
6. **Prohibited uses.** Grantee shall not use any portion of the funds granted herein, or any income therefrom:

a. To undertake any activity for any purpose other than a religious, charitable, scientific, literary, educational, or other purpose specified in Internal Revenue Code Section 170(c)(2)(B);

b. To cause any private inurement or improper private benefit to occur, or to take any other action inconsistent with Section 501(c)(3) of the Internal Revenue Code;

c. To make any substantial attempt to influence legislation in any nation or other political unit;

d. To influence in any nation or other political unit the outcome of any election for or against any candidate for public office.

e. To violate any U.S. law, including but not limited to laws prohibiting the support of terrorism.

1. **Notice of changes.** Grantee shall notify Grantor immediately of any change in Grantee’s status, personnel, or funding that may impair the ability of the grantee to fulfill its obligations under this Agreement.
2. **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.
3. **Remedies.** In the event that Grantee violates or fails to carry out any provision of this Agreement, Grantor may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee, and Grantor may demand the return of all or part of the unexpended grant funds, which the Grantee shall immediately repay to Grantor.
4. **Negotiation-Mediation-Arbitration.** In the event of any controversy or claim arising out of or relating to this agreement, or the breach thereof, the parties shall consult and negotiate with each other and, recognizing their mutual interests, attempt to reach a solution satisfactory to both parties. If they do not reach settlement within a period of 60 days, then either party may, by notice to the other party and the International Centre for Dispute Resolution, demand mediation under the Mediation Rules of the International Centre for Dispute Resolution. If settlement is not reached within 60 days after service of a written demand for mediation, any unresolved controversy or claim arising out of or relating to this contract shall be settled by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. Any award or order made in any such arbitration may be entered as a judgment in a court of competent jurisdiction. Any dispute, and the resolution thereof in any manner, shall be and remain confidential information, and all parties shall protect the confidential information from public disclosure, using any and all reasonable legal and technical means
5. **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the *[insert name of appropriate state]*.
6. **Entire agreement; amendments and waivers.** 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.
7. This Agreement may be signed in counterparts, meaning that the Agreement is valid if signed by both parties, even if the signatures of the parties appear on separate copies of the same Agreement rather than on a single document.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed on the dates set forth below.

*[Ministry X]*

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[Ministry Y]*

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_