

PENN CENTRAL CONFERENCE UNITED CHURCH OF CHRIST FISCAL AGENCY AGREEMENT

This Agreement is made on **January 24, 2024** by and between the Sponsor, Penn Central Conference United Church of Christ (“Penn Central”) and the Sponsored Organization, Mercersburg Society (“the Society”).

Penn Central is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”). It is a member of the United Church of Christ federal group ruling, and is recognized by the IRS as tax exempt through that ruling.

Mission of Penn Central Conference: Proclaiming the wisdom of Jesus Christ and affirming our covenant with one another, the Penn Central Conference of the United Church of Christ facilitates Christ-centered clergy connection, congregational empowerment, and missional focus with an eye to the future.

Description of the Society: The Society is an unincorporated association. It is formed for the purpose of preserving the sacramental and ecclesiastical approach of Mercersburg Theology, to publish *The New Mercersburg Review*, and to hold an annual convocation.

Agreement: Penn Central is willing to receive tax-deductible charitable contributions for the benefit and use of the Society. The Society, with the administrative assistance of Penn Central, desires to use these funds to implement the Society’s purposes. By entering into this Agreement, the parties agree to the following terms and conditions:

1. **Penn Central Retains Discretion:** Notwithstanding anything to the contrary in the Agreement, Penn Central and the Society agree that Penn Central maintains sole discretion to distribute the funds in accordance with the tax-exempt purpose of Penn Central.
2. **Receipt of funds:** Penn Central agrees to receive grants, contributions, and gifts to be used for the Society, and to make those funds available to the Society.
3. **Administrative fees:** Penn Central and the Society agree that the fee for services rendered will be as follows: \$100 annually.
4. **Acknowledgment of charitable donations on behalf of the Society:** Penn Central agrees that all grants, charitable contributions and gifts which it receives for the Society will be reported as contributions to Penn Central as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. Evidence will consist of a letter from the United Church of Christ affirming that Penn Central is a member of the United Church of Christ federal group tax ruling and a copy of the group ruling determination letter.
5. **Penn Central agrees to notify the Society of any change in its tax-exempt status.**
6. **Protection of tax-exempt status:** The Society agrees not to use funds received from Penn Central in any way which would jeopardize the tax-exempt status of Penn Central. The Society agrees to comply with any written request by Penn Central that it cease activities which might jeopardize Penn Central’s tax status, and further agrees that the Penn Central’s obligation to make funds available to it is suspended in the event that it fails to comply with any such request.

7. **Use of funds:** Penn Central authorizes the Society to make expenditures, which do not exceed total grants, contributions and gifts received on the Society's behalf for use in the Society. The Society agrees to use any and all funds received from Penn Central solely for legitimate expenses of the Society and to account fully to Penn Central for the disbursement of these funds. Under no circumstances will expenses be used in any manner that may jeopardize Penn Central's tax status. Penn Central retains the right to request appropriate substantiation for any expenditure of funds for Society, either before or after the expenditure is made.
8. **Indemnity and Insurance:** In the event that grant funds, contributions or pledges are misappropriated in any way by the Society, or a representative of the Society, the Society shall indemnify, defend, and hold harmless Penn Central for any liability, costs, and attorneys' fees incurred from the misappropriation.
9. **Financial accounting and reporting:** Penn Central will maintain books and financial records for the Society in accordance with generally accepted accounting principles. The Society's revenue and expenses shall be separately classed in the books of Penn Central. Penn Central will provide reports reflecting revenue and expenses to the Society on a **quarterly basis**, within two weeks after the end of each month, and, on an annual basis, within three months after the end of each fiscal year of Penn Central.
10. **Governance:** Authority to manage the programmatic activities of the Society is delegated to the Society, subject at all times to the regulations noted above. Copies of the Society's bylaws or other governing documents shall be submitted to Penn Central.
11. **Fundraising:** The Society may solicit gifts, contributions, and grants which are earmarked for the activities of the Society. Penn Central shall be responsible for the processing and acknowledgment of all monies received for the Society, which shall be reported as the income of Penn Central for both tax purposes and for purposes of the Penn Central's financial statements. Grants involving government or public agency monies have substantial reporting and auditing requirements; therefore, if the Society desires to apply for government or public agency grants, the Society must get advance approval to do so from Penn Central; such approval may be withheld solely in Penn Central's discretion.

Renewal of this agreement: If both the Penn Central and Society desire to do so, this agreement may be renewed annually unless terminated as set forth in the next paragraph.

Termination: Either party may terminate this Agreement by giving 60 days' written notice to the other party.

By signing, both parties agree to execute this Agreement on **January 31, 2024**.

Penn Central: Rev. Dr. Carrie Call

Carolyn M. Call
Signature

Society: Dr. Lee Barrett, Lancaster Theological Seminary

Lee Barrett
Signature