



## Sponsorship Guidelines for Community Gardens

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### Purpose

Sustainable Food Center (SFC) will act as fiscal sponsor and technical consultant for community gardens in Austin for the purpose of strengthening the local food system and improving access to nutritious, affordable food by helping community gardens thrive.

SFC will provide the following fiscal sponsorship components to Sponsored Community Gardens.

Sponsored Community Gardens must choose at least one of the three components:

1. Hold utility bills in SFC's name and pay utility invoices using funds collected from gardeners
2. Provide liability insurance for the garden, at no charge to the members
3. Hold and manage restricted funds generated through grants and donations (If this is the only component chosen, SFC will manage funds from any grants that require 501(c)3 sponsorship. If this component is chosen in conjunction with #1, SFC will also hold funds from other grants and donations.)

In addition, SFC will:

- Provide technical assistance to community gardens (up to 1 hour per week)  
This may include assistance with communications between gardens and the city/community organizations and/or assistance with solicitation of grant funds for garden design, infrastructure and construction costs
- Provide information about best practices for water conservation at community gardens
- Provide information about inclusive outreach and recruitment
- Provides template budget documents to assist with the management of restricted and unrestricted funds

### Sponsored Community Garden Responsibilities

- Elect and maintain a garden leader or leadership team who will manage the garden
- Designate a garden liaison who will be responsible for all communication with SFC
- Draft garden rules and regulations within the requirements of the landowner, and maintain compliance at all times
- Collect plot rental or membership fees for SFC sufficient enough to cover all utility costs
- Generate revenue for garden operations
- Take responsibility for gardener recruitment and participation
- Develop a water conservation plan for the garden
- Post protocol in the case of a water leak (including location of water cut-off valve and contact information for a garden leader and SFC staff)
- Develop an outreach and recruitment plan to ensure that garden membership is demographically representative of the community where the garden is located

## Guidelines

### Garden Location

SFC will act as fiscal sponsor for gardens that are located on city land (including park land), school land, HUD land, and congregation land. In most cases, SFC will not act as fiscal sponsor for gardens on private land.

### Garden Management

All gardens must have a Garden Liaison at all times who will serve as the single point of contact with SFC. The Garden Liaison may, but need not necessarily, be the same person as the garden leader. In many cases, the garden's treasurer serves as Garden Liaison. When a garden begins sponsorship under SFC, or when a new Garden Liaison comes on board, SFC staff will meet with the Garden Liaison to review the Sponsorship Guidelines and discuss methods to be used for managing funds and coordination between the Garden Liaison and SFC staff for monitoring restricted funds

If SFC is holding a utility account for the Sponsored Community Garden, a SFC staff member will provide the Garden Liaison access to that garden's water usage information via the Austin Water Utility Online Customer Care service. The Garden Liaison will be responsible for monitoring that garden's water usage on behalf of the garden throughout the year to ensure that actual usage is within projected rates of usage.

Each garden must also have a leader or leadership team at all times that bears responsibility for the management of the garden's finances and the operations of the garden, ensures that the gardeners are in compliance with the garden's rules and regulations, and oversees fundraising events.

### Garden Utility Fees

SFC will hold a sponsored community garden's utility account in its name and pay monthly bills, using funds collected from the sponsored garden at the beginning of each calendar year. Funds will be collected as follows:

- SFC will estimate utility fees annually based on actual costs between November 1<sup>st</sup> and October 31<sup>st</sup>, plus a 10% buffer to account for the possibility of extreme heat or drought. By December 31<sup>st</sup> of each year SFC will communicate each garden's utility fee to the Garden Liaison using an invoice.
- Plot rental or membership fees will be set by the garden leadership team such that they will, at a minimum, cover all utility bills for the garden. Plot rental/membership fees will be collected and submitted to SFC, and will be held by SFC in a Garden Fund ("Garden Fund" refers to the funds held by SFC for a particular sponsored garden).
- By January 31<sup>st</sup>, adequate funding in fees to cover the utility fee must be available in the garden's Garden Fund, and the Garden Liaison must give written consent to the SFC Finance Director (cc'ing SFC staff) for the invoiced utility fee amount to be transferred from the garden's Garden Fund to SFC.
- The SFC Finance Director will provide written confirmation to the Garden Liaison that this transfer of funds has taken place and will report the current Garden Fund balance.

If the sponsored garden opts not to hold funds with SFC, funds will be collected as follows:

- Upon receiving an invoice for payment of the utility fee, the Garden Liaison should send a check for the required amount to the SFC Finance Director by January 31<sup>st</sup>.
- The SFC Finance Director will provide written confirmation to the Garden Liaison that the check has been received and will report the current Garden Fund balance.

On January 31<sup>st</sup>, if the Garden Liaison has not provided consent for the utility fee funds to be transferred, a check has not been received, and/or insufficient funds are available in the sponsored garden's Garden Fund, a SFC staff member will schedule a meeting with the Garden Liaison to discuss reasons why the requirement was not paid, and to establish whether the garden has a plan for raising the remaining amount due. If the garden does not have a plan, the GL staff member will help the Liaison (and possibly additional members of the garden's leadership team) create a plan to meet the requirement during an extension period of a maximum of two months.

After October 31<sup>st</sup> of each year, SFC staff will compare the Sponsored Community Garden's actual amount billed by Austin Water Utility between November 1<sup>st</sup> and October 31<sup>st</sup> to the utility fee paid by the garden for that year.

- If the utility fee paid was **more** than the actual amount billed, SFC will return the overage amount (including the 10% buffer) in the form of a check. The garden may also opt to have SFC return the overage amount to the garden's Garden Fund. The garden may then use those funds toward next year's utility fee, if desired.

- If the utility fee paid was less than the actual amount billed, the garden will be responsible for paying the difference between these amounts as part of the following year's utility fee.
- In either case, a SFC staff member will generate a *Refund/Amount Owed Agreement* indicating the amount to be refunded to or paid by the garden, which will be signed by the Garden Liaison and SFC's Executive Director prior to the disbursement or collection of funds. In cases where an additional amount is owed, this amount will be included on the invoice for the following year's utility fee, and will be due on January 31<sup>st</sup>, along with the utility fee.

### Garden Revenue

All event revenue, donations (cash or in kind) and product sales generated by the garden will be restricted to the use of the garden.

#### *Donations:*

Donations can be in the form of cash or a check, which must be made out to Sustainable Food Center, with the sponsored garden's name in the memo line. Donations may also be made online through SFC's website via a special web form that can be accessed using the following link: <http://bit.ly/ACGdonate> (donors must indicate the name of the garden to which they wish to donate on the form). SFC will inform the Garden Liaison when a donation has been made to the garden. A nonprofit donation letter will be sent to the donor.

If donors require a nonprofit donation letter, the donations must be received by SFC, who will provide donors with the proper acknowledgement. If donors do not require an acknowledgement letter for tax purposes, the garden may choose to hold their donations in a documented petty cash fund, their own bank account, or with SFC.

#### *Sales:*

If a garden wishes to have a plant sale, they may sell seeds or edible annual plants free of tax (exempted) at any time. However, perennials are taxed by the state. A 501(c) 3 entity (such as SFC) is permitted (2) 24 hour tax-free sale days per year. Because many community gardens fall under the umbrella sponsorship of SFC, any garden wanting to sell taxable items such as perennials without tax should apply for tax exemption under SFC sponsorship by filling out an AP-204 form and submitting it with a letter from SFC recognizing it as a subordinate (visit [window.state.tx.us](http://window.state.tx.us) for more information). This process can take up to 2 months, so it is recommended to start this process early.

Garden Funds may be requested as needed by the Garden Liaison. They will remain available until used in full. In the event of the closing of a garden, any remaining garden funds will be absorbed by SFC to be used in its community garden program.

From time to time, SFC and/or the garden will solicit grant funds for the purpose of starting a new garden or adding assets to an existing garden. These funds will be held by SFC, and will be used solely for the purpose stated in the grant award letter. SFC will generate a Memorandum of Understanding detailing the garden's responsibility for outcomes related to the use of the funds. All reporting to the funder will be handled by SFC.

### Disbursement of Grant Funds

SFC staff will work with the Garden Liaison to manage grant funds (also known as restricted funds). The following guidelines apply:

- All grant-related purchases for the garden must be approved by the Garden Liaison prior to the purchase.
- Purchases may be made using the gardener's money and then reimbursed by SFC, or the funds may be requested prior to the purchase with an invoice. See below for procedure details.
- Gardeners may purchase materials and supplies exempt of sales tax by using SFC's tax exempt certificates at the time of purchase. **SFC cannot reimburse tax.**
- SFC staff will work with Garden Liaison to monitor the spending of grant funds using a shared online budget document.

### Disbursement of Unrestricted Funds

Unrestricted funds (for example, plot rental fees, donations, or revenue from a sale) may be requested up to twice per month by the Garden Liaison via an expense voucher submitted to SFC's Finance Director, cc'ing SFC staff. Checks will be mailed within 7 days of receipt of voucher. All purchases for the garden must be approved by the Garden Liaison prior to the purchase.

### Procedure for Disbursement of Funds

Any gardener may make purchases on the garden's behalf, as long as he or she has obtained approval from the Garden Liaison. Funds may be disbursed in the following three ways:

#### **Option A—Garden Liaison requests petty cash (unrestricted funding only)**

- 1) Garden Liaison fills out and submits expense voucher indicating amount of funding requested from garden's account. This option is available for unrestricted garden funds, only. This type of request may be made up to **two times per month**.
- 2) SFC sends check for requested amount to Garden Liaison within 7 days

#### **Option B—Garden pays a business directly using an invoice**

- 1) Garden Liaison fills out an expense voucher for purchase amount, attaches invoice, and submits to SFC. Garden Liaison should indicate funding source (grant name or unrestricted garden funds) on voucher.
- 2) SFC pays business directly by credit card.
- 3) SFC sends copy of receipt to Garden Liaison for garden records.

#### **Option C—Gardener makes purchase using own money, receives reimbursement**

- 1) Gardener gains approval for purchase from Garden Liaison.
- 2) Gardener makes purchase, using SFC Tax Exempt status certificate, and submits **original** receipt to Garden Liaison.
- 3) Garden Liaison records purchase. **Once per month**, Garden Liaison pools all receipts and mails SFC one expense voucher for each person who has made purchases that month, with all of each person's respective **original** receipts attached. More than one receipt may be included with one voucher, but one voucher should be submitted for each person to receive reimbursement. Garden Liaison should indicate on each voucher the source to draw funding from (i.e., which grant or unrestricted funds). The address of each person to be reimbursed should be written on each voucher.
- 4) SFC sends reimbursement check to each person to be reimbursed within one week.

### Administrative Fees

As a general rule, SFC will not charge an administrative fee to the garden. However, when applying for grants, sponsored gardens should include 10% toward indirect costs in the proposal budget. Indirect funds from garden grants will be used to support SFC's overhead in sponsoring the garden. If the garden solicits a grant without indirect funding, SFC will charge a 5% administrative fee to manage the grant funds and reporting.

### Water and Electricity

SFC will carry all water and electricity accounts for the garden and will pay all monthly bills. If abnormally high water and electric bills occur and are not resolved in a timely manner, SFC will ask the City to disconnect the utilities. Gardens will be given 30 days notice prior to disconnect.

No unattended watering is allowed at sponsored gardens. In the case of a water leak or broken pipe, the water main should be turned off and a garden representative (this need not be the Garden Liaison) should inform SFC staff at the contact information below (use cell numbers after hours). The SFC staff member will help assess next steps in making repairs. In the case of freezing temperatures, gardens should follow the attached guidelines for protecting pipes from breaking. Gardens must post protocol in case of a water leak, including the location of the garden's water cut-off valve and contact information for a garden leader and SFC staff.

SFC is able to grant Garden Liaisons access to view the water usage and billing information for the garden's water account. Once the garden's sponsorship agreement has been signed, SFC staff complete a City of Austin *Release of Customer Information Authorization Form* that authorizes the Garden Liaison to view the abovementioned account information via an online account through the end of the current calendar year (authorization will be renewed each year as part of the sponsorship renewal process).

### Liability Insurance

SFC will carry all general liability insurance for the garden for free. If the garden is located on city land, SFC will pay to have the City of Austin added as an additional insured. All new gardeners will be required to sign a liability waiver. Additionally, property insurance is available for gardens for a fee upon request in some cases; contact SFC staff for details.

### Contractors

If SFC will be holding liability insurance for the Sponsored Community Garden, or if SFC will be using garden funds to pay contractors carrying out projects at the garden site, the contractors must meet SFC's insurance requirements (see details on last page of this document). A minimum of 3 bids must be obtained for any projects greater than \$5000.

For contractors who provide an ongoing service for a Sponsored Community Garden (for example, compost maintenance or apiary management), contracts must be reviewed and signed by an SFC representative, and must be renewed at least annually.

## Grievance Procedures

### *Intra-Garden Grievances*

SFC encourages sponsored gardens to do their best to any conflicts that may arise within their garden communities using their established grievance procedures and/or with the assistance of a professional mediation service (see below). However, should any participant at a SFC-sponsored community garden wish to approach SFC with a grievance pertaining to events or actions within the garden, they must adhere to the following procedure:

First Step - Garden Leadership. A written statement of the grievance shall be made to the garden leader or leadership team within thirty (30) days of the incident. The garden leader or leadership team shall use best efforts to resolve the grievance using the garden's established procedure for handling grievances, as outlined in the garden's bylaws or guidelines.

Second Step - Grow Local Director. If unsatisfied by the garden leader or leadership team's response, the grievant may appeal to the Grow Local Director. A written statement of the grievance shall be submitted to the Grow Local Director within five (5) working days of the garden leader or leadership team's response. The Grow Local Director shall use best efforts to resolve the grievance within five (5) working days of receiving the written statement. At the end of this time period, the Grow Local Director shall issue a written response to the grievant with either the resolution or next steps if additional time is needed to address the issue. The Grow Local Director shall issue a final written response to the grievant within thirty (30) days of the grievant's initial complaint.

Third Step - Executive Director. If unsatisfied by the Grow Local Director's response, the grievant may appeal to the Executive Director. A written statement of the grievance shall be submitted to the Executive Director within three (3) working days of the Program Director's response. The Executive Director shall use best efforts to resolve the grievance within five (5) working days of receiving the written statement. At the end of this time period, the Executive Director shall issue a written response to the grievant with either the resolution or next steps if additional time is needed to address the issue. The Executive Director shall issue a final written response to the grievant within thirty (30) days of the grievant's initial complaint.

Fourth Step - Board President. If unsatisfied by the Executive Director's written response, the grievant may appeal the decision to the Board President. The grievant shall submit a written request for an appeal to the Board President and the Executive Director within three (3) working days of receipt of the Executive Director's written response. A hearing with the Executive Committee of the Board of Directors shall be scheduled within ten (10) working days of receipt of the request for an appeal. The grievant, at his or her own expense, may be accompanied at the hearing by another individual for representation or support. The Executive Committee shall render a decision on the appeal in writing within sixty (60) days of the hearing. The decision of the Executive Committee of the Board of Directors shall be final.

### *Grievance about SFC Sponsorship*

Should any participant at a SFC-sponsored community garden have a particular grievance about SFC sponsorship, they must adhere to the following procedure:

First Step - Grow Local Director. A written statement of the grievance shall be made to the Grow Local Director within thirty (30) days of the incident. The Grow Local Director shall use best efforts to resolve the grievance within five (5) working days of receiving the written statement. At the end of this time period, the Grow Local Director shall issue a written response to the grievant with either the resolution or next steps if additional time is needed to address the issue. The Grow Local Director shall issue a final written response to the grievant within thirty (30) days of the initial complaint.

Second Step - Executive Director. If unsatisfied by the Grow Local Director's response, the grievant may appeal to the Executive Director. A written statement of the grievance shall be submitted to the Executive Director within three (3) working days of the Program Director's response. The Executive Director shall use best efforts to resolve

the grievance within five (5) working days of receiving the written statement. At the end of this time period, the Executive Director shall issue a written response to the grievant with either the resolution or next steps if additional time is needed to address the issue. The Executive Director shall issue a final written response to the grievant within thirty (30) days of the grievant's initial complaint.

Third Step - The Board President. If unsatisfied by the Executive Director's written response, the grievant may appeal the decision to the Board President. The grievant shall submit a written request for an appeal to the Board President and the Executive Director within three (3) working days of receipt of the Executive Director's written response. A hearing with the Executive Committee of the Board of Directors shall be scheduled within ten (10) working days of receipt of the request for an appeal. The grievant, at his or her own expense, may be accompanied at the hearing by another individual for representation or support. The Executive Committee shall render a decision on the appeal in writing within sixty (60) days of the hearing. The decision of the Executive Committee of the Board of Directors shall be final.

### Other Benefits

#### Free copies

Sponsored gardens may use the copy machine at SFC's office to print up to 500 one-sided or 250 two-sided color or black and white pages per year for outreach or educational purposes. A garden representative should contact a Grow Local staff member ahead of time to ensure that the copy machine will be available when he or she arrives at the office.

#### Mediation Assistance

Should conflict arise at a SFC-sponsored community garden, SFC offers support in the following way: upon request once per year per SFC-sponsored garden, SFC will pay half the cost of a group facilitation session at the Dispute Resolution Center ([www.austindrc.org](http://www.austindrc.org)) or a similar organization with comparable prices. Contact Grow Local staff for details.

#### Free Use of SFC Community Room

Sponsored community gardens may use SFC's Community Room free of charge. To view photos of the room, check availability, and make a reservation, visit SFC's [Rental Space website](#). When completing the rental request web form, please mention the name of your sponsored community garden.

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## Sustainable Food Center's Insurance Requirements for Contractors

Sustainable Food Center (SFC) shall cause any contractor or subcontractor constructing improvements to an SFC-Sponsored Community Garden site to carry insurance in the following types and amounts:

1. Employers Liability and Workers' Compensation Insurance. Minimum policy limits for Employers' Liability shall be \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. Workers' Compensation coverage shall be consistent with statutory benefits described in the Texas Workers' Compensation Act, section 401. Coverage shall apply to the State of Texas. The policy shall contain the following endorsements in favor of SFC:
  - 1.1 Waiver of Subrogation (Form WC 420304); and
  - 1.2 30-Day Notice of Cancellation (Form WC 420601).
2. Commercial General Liability Coverage with a minimum bodily injury and property damage per occurrence limit of \$500,000 for coverages A & B. The policy shall contain the following provisions and endorsements in favor of SFC:
  - 2.1 Blanket Contractual liability coverage for liability assumed under this contract;
  - 2.2 Products and completed operations coverage;
  - 2.3 Independent contractors coverage;
  - 2.4 Personal and Advertising injury coverage;
  - 2.5 Additional Insured endorsement (Form CG 2010);
  - 2.6 Waiver of Subrogation endorsement (Form CG 2404); and
  - 2.7 30-Day Notice of Cancellation endorsement (Form CG 0205).
3. Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a limit of \$500,000 per occurrence for bodily injury and property damage liability. The policy shall contain the following endorsements in favor of SFC:
  - 3.1 Additional Insured endorsement (Form TE 9901B);
  - 3.2 Waiver of Subrogation endorsement (Form TE 2046A); and
  - 3.3 30-Day Notice of Cancellation endorsement (Form TE 0202A).
4. Builders' Risk Insurance on an all risk physical loss form in the amount of the maximum contractor amount for any improvements made to the SFC-Sponsored Community Garden site. Coverage shall commence upon the date any work with respect to such improvements begins and shall continue until the work is complete and a Completion Notice is issued with respect to the improvements. SFC shall be a mortgagee/loss payee on the policy. If off-site storage is permitted with respect to the work, coverage shall include transit and storage in an amount sufficient to protect any property being transported or stored.