**Document explaining the Pre-Approved Grant Relationship to be submitted to donors and grantors**

The Center for Transformative Action (CTA), a 501(c)3 tax-exempt organization, has entered into a Pre-Approved Grant Relationship with **[Project Name],** the sponsored project. The Pre-Approved Grant relationship is a grantor-grantee relationship between CTA and the sponsored project.

The sponsored project (grantee) is not a program or initiative of CTA (grantor). The project has its own legal, tax, and accounting identity, subject to **[name of State]** and federal laws. When the grantee has a specific charitable program it would like funded and does not have the capacity to accept tax-deductible donations directly, CTA furthers its tax-exempt mission to build thriving, inclusive communities that are just, sustainable, and work for everyone by accepting and re-granting funds to support the approved program’s charitable purpose.

CTA requires its sponsored projects to take the lead in raising all program funds subject to CTA guidance, and reserves the right to review and approve all solicitation material, in accordance with the terms of our Pre-Approved Grant Agreement, to ensure that the program furthers only charitable goals and does not confuse or violate federal or state legal requirements. By law, all individual, foundation, and other donations intended to support this program’s purposes must go directly to and belong to CTA.

For legal and accounting purposes, CTA needs to notify all donors and grantors of our ‘variance power’ over funds donated to us in support of the intended program. Under our fiscal sponsorship agreement with **[Project name],** we retain full discretion and control over the use of such funds to accomplish the charitable purposes of the approved program. This power includes, if needed, the unilateral right to redirect funds to a different beneficiary who can accomplish the purposes of this program.