

**COMMUNITY ACTION AGENCY OF BUTTE COUNTY, INC.
FOOD BANK**

MEMBER ~ AGENCY ~ CONTRACT

WHEREAS, the Community Action Agency of Butte County, Inc. Food Bank (CAAFB) is a nonprofit corporation engaged in the distribution of food products to charitable organizations that serve the ill, the needy, and infants in Butte County

WHEREAS, _____, (hereinafter called the “Applicant”) is a California nonprofit corporation that directly distributes food, free of charge, to the needy, the ill, or infants in Butte County;

WHEREAS, the Applicant desires to obtain the assistance of the CAAFB in distributing food to the needy, the ill or the infants in Butte County;

NOW THEREFORE, in support of this application and in consideration of the appointment of the Applicant to receive food products from the CAAFB, the Applicant hereby warrants, covenants, and agrees as follows:

1. The Applicant is a nonprofit organization that has received a written letter of determination from the Internal Revenue Service to the effect that the Applicant is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (hereinafter called the “Code”) and is exempt from federal income taxation by virtue of Section 501(a) of the Code. The Applicant is not a private foundation by virtue of the application of Section 509(a)(1), (2), or (3) of the Code, nor is the Applicant an operating foundation as defined in Section 4942(j)(3) of the Code. Attached is a copy of the Applicant’s written determination letter from the Internal Revenue Service.
2. The Applicant shall at all times maintain its status as an organization described in Section 501(c)(3) of the Code and shall continue to meet the requirements of Section 509(a)(1), (2), or (3) of the Code so as not to become a private foundation or an operating foundation as defined in section 4942(j)(3) of the Code. The Applicant shall immediately notify the CAAFB of any change whatsoever in the Applicant’s exempt status under the Code.
3. The Applicant is an independent entity maintaining distinct physical facilities, having separate and independent management and a board of directors, and possessing a distinct charitable and tax-exempt status pursuant to federal, state and local law. The Applicant shall at no time represent itself to food donors, to the public, or to any federal, state or local government or

agency thereof as being part of or associated in any way with the CAAFB other than as a permissive recipient of food products from the CAAFB. The Applicant shall not function under any name or distribute any material of any kind that represents or identifies the Applicant as being associated in any way with the CAAFB other than as a permissive recipient of food products from the CAAFB.

4. The Applicant has obtained all necessary governmental or other regulatory licenses, permits, and authorizations from the State of California and/or any county or municipal authority for the conduct of a food service and/or distribution establishment and for the solicitation of charitable contributions. Further, the Applicant is duly registered with the California attorney general as a nonprofit charitable organization. There are no proceedings pending or threatened which may result in the revocation, cancellation, or suspension of any such licenses, permits, authorizations, or registration. The Applicant shall immediately notify the CAAFB of any change in the Applicant's status as a nonprofit charitable organization under the laws of the State of California. The Applicant shall immediately notify the CAAFB of any change affecting the status of any of the Applicant's licenses, permits, or authorizations to serve and/or distribute food or to solicit charitable contributions.
5. The Applicant shall not require, solicit, or accept cash donations from recipients for food supplied by the CAAFB. All food received by the Applicant from the CAAFB shall be used only in a manner which complies with the provisions of Section 170(e)(3) of the Code and with the Treasury Regulations promulgated thereunder (which may be amended from time to time).
6. The Applicant assumes full responsibility for all food products received from the CAAFB at the time of loading at the CAAFB warehouse (or at the time of delivery if applicable) and shall transport food products from the CAAFB warehouse to its own facilities at its sole use, risk, and expense. The Applicant shall provide adequate refrigeration and storage to ensure the wholesomeness of the food until it is used or distributed.
7. The Applicant warrants that all food received from or through the CAAFB will be inspected upon pick-up at the CAAFB, or upon delivery if applicable. The Applicant warrants that any items found to be unfit for human consumption will be either returned to the CAAFB immediately or thrown away, and will not be served or distributed.
8. **All food received for or through the CAAFB will be accepted in "as is" condition. Neither the CAAFB nor the original donor warrants any food item transferred to the Applicant. The CAAFB and the original donor**

hereby disclaim any express or implied warranty of merchantability, or warranty of fitness for particular purpose in connection with the transfer of food to the Applicant

9. The Applicant hereby releases both the original donor and the CAAFB from any liability, loss, damage, or claim of any kind – whether at law or equity – arising out of or based upon any act of the Applicant or any act of the Applicant’s employees, agents, or independent contractors in connection with the storage, maintenance, transportation, use, or distribution of any item of food received from or through the CAAFB. The Applicant further agrees to indemnify and hold harmless the CAAFB and the original donor from and against any and all losses, liabilities, damages, judgments, penalties, claims, settlements, and costs and expenses (including, without limitation, all reasonable attorney’s fees) arising out of or based upon any act of the Applicant or act of the Applicant’s employees, agents, or independent contractors.
10. The Applicant agrees to allow CAAFB representatives to monitor its agency on an annual basis. The CAAFB’s Agency Monitoring Form will be utilized during the monitoring.
11. The Applicant agrees to maintain a file of all CAAFB agency invoices for one year from the invoice date.
12. The Applicant agrees to serve people without regard to race, color, religion, sex, age, marital status, political affiliation, disability, sexual orientation, medical condition, veteran’s status, or national origin.
13. The Applicant agrees to support the operation of the FBCA with the required share contribution and purchase food fees detailed in Addendum A.
14. The Applicant agrees to the CAAFB Invoice Payment Policy as detailed in Addendum B.
15. It is understood that the CAAFB will rely on these warranties, representations, and agreements of sections 1-13 herein shall constitute good cause for immediate termination of distribution of any food products to the Applicant. Any violation of section 14 will result in actions detailed in Addendum B. The CAAFB hereby disclaims any and all responsibility for the actions, representations, management, or activities by the Applicant, and reserves the right to terminate food distributions to the Applicant at any time it is deemed that such termination is in the best interests of the CAAFB. The execution of this contract has been duly authorized by the board of directors or trustees of the Applicant, and the warranties, representations, and information herein are hereby declared to be true and correct in all respects.

APPLICANT: _____

Agency Representative's Signature
(Note: Must be signed by the executive director or board chairperson; if a religious institute, the pastor or head of congregation.)

Agency Representative's Name *(Please Print)*

Agency's Representative's Title

Name of Organization

Address

City, State, Zip Code

Phone Number

Date

FOOD BANK CAA: _____

Authorized Signature

Date

ADDENDUM A

DONATED AND PURCHASED FOOD FEES

The following fees are required from member agencies in order to help support the operation of the CAAFB:

1. **Donated Food.** An “Agency Service Fee” of 18 cents per pound is the fee for most donated food. Perishable products such as bread and produce are distributed at no charge.
2. **Purchased Food.** The food bank purchases staple food items and sells these items to member agencies at cost plus 10%. The 10% mark-up is used to help defray handling costs.

ADDENDUM B

INVOICE PAYMENT POLICY

The CAAFB allows agencies to either: 1.) pay invoices at the time of pick-up at the warehouse, or 2.) pay invoices on a monthly basis after billing statements are sent to the agencies. All new member agencies must pay invoices COD or within 10 days for the first six months from the initial invoice.

METHOD

Payments must be made with checks from the member agency's account – no personal checks or cash will be accepted.

TERMS OF PAYMENT

If an agency plans to make payments on a monthly basis, it must send its payments promptly after the agency's billing statement is received in order to remain "current". Invoices are considered "past due" if they remain unpaid after 31 days from the date of the invoice.

TERMS OF SUSPENSION

An agency's shopping privileges at the Food Bank are subject to suspension if any of the following occurs:

1. An undisputed invoice is 45 days old and remains unpaid;
2. Your agency's checks is returned by your bank for any reason;
3. Your agency fails to adhere to any previous payment agreement with the Food Bank.

If your agency is suspended, the Food Bank will send your agency a suspension letter detailing the reason for the suspension and the amount owed on your account. Any bank charges imposed on the Food Bank due to returned checks will also be charged to the agency responsible for these bank fees.

For agencies that have multiple sites picking up food from the Food Bank, if your agency is suspended, none of your agency's sites will be able to shop at the Food Bank until your account is paid off.

LENGTH OF SUSPENSION

Subject to "renewal" at the discretion of the CAAFB.