

Needed to use grant money and work programs with Asrik Farms

1. Create a service agreement
2. Gather paperwork
3. Insurance
4. Forms
5. Program brochure

Asrik is not a 501c3. KDVA or federal subgrants require us to treat them as vendors not subrecipients, because they are not subject to federal grant flow-down terms.

Therefore, we have to have a service agreement instead of an MOU.

- We will need a service agreement (not an MOU) that:
 - Defines the scope of services (sessions, number of veterans, duration, cost per session).
 - States that FMM retains control of participant selection and data collection.
 - Requires invoices for services rendered (no lump-sum prepayments).
 - Includes proof of insurance by Asrik (liability, equine activity coverage, naming FMM as additional insured).
 - States compliance with nondiscrimination, safety, and background-check policies.

The IRS allows nonprofits to pay for-profit or unincorporated vendors as long as:

1. The payment is for bona fide services, not a gift or personal benefit.
2. The service advances your exempt purpose (in your case, veteran wellness/recovery).
3. The nonprofit retains control and oversight of the program outcomes.

Paperwork Required by Asrik: W-9, IRS, COI for insurance (listing FMM as additional insured). Business license or LLC Registration (proof required by IRS that they are a real business)