NEIGHBOR TO NEIGHBOR

CHARITABLE TRUST

Trust-Church Operating and Funding Agreement

Business terms and counsel instructions

WORKING DOCUMENT - AUGUST 2026

WORKING DOCUMENT STATUS
This document records the business terms that should guide counsel in preparing the formal agreement between the Neighbor to Neighbor Charitable Trust and the participating Church. It is not itself the binding agreement and does not authorize a transfer of funds.

Working version: August 27, 2026

Confidential - Internal Legal, Financial, and Operating Information

Purpose of the Agreement

The formal Trust-Church agreement should establish a practical relationship in which the Trust supplies privately funded charitable resources and the Church uses its own charitable judgment, community knowledge, and existing administrative structure to decide how those resources are applied within the broad purposes supported by Neighbor to Neighbor.

The agreement should give the Church enough discretion to respond to legitimate community needs without requiring the Trustee to approve each distribution, while preserving clear financial boundaries, reporting, replenishment, and accountability for the N2N-designated funds.

During this stage, N2N remains primarily a funding source. The Church is the organization administering the charitable activity, including assistance developed through later Church-contracted administrators. The funding route remains through the Church until a formal decision is made to change the operating structure.

CORE OPERATING PRINCIPLE
N2N provides financial capacity. The Church makes the charitable decisions and administers the funds. Additional administrative capacity may be funded by N2N and contracted by the Church without creating a separate N2N operating channel.

The Parties and Their Roles

Neighbor to Neighbor Charitable Trust

The Trust provides the financial resources made available under the agreement. It establishes the broad charitable purposes it is prepared to support, determines the amount of capital committed to the Church, maintains its own accounting, receives the agreed reporting, and decides whether additional Trust capital will be provided when the Church requests replenishment or funding beyond its current authorization.

The Trust remains responsible for its own legal, tax, banking, fiduciary, and financial obligations. During the Church-administered stage, its role is centered on funding and governance rather than routine charitable case decisions.

Participating Church

The Church receives and administers N2N-designated funds using its own charitable judgment and existing charitable authority. It determines which qualified organizations, households, community needs, and charitable activities should receive support within the broad purposes established for the funding.

The Church maintains enough records to show how the designated funds were used and administers the activity under its own governing documents, charitable responsibilities, and applicable law.

Broad Areas of Charitable Support

The agreement should recognize the three initial areas N2N intends its funding to support without turning them into rigid operating manuals for the Church. The detailed standards can develop from experience as the work grows.

Area	General Funding Purpose
Community Partner Support	Support for charitable and community organizations whose ability to serve is constrained by funding, equipment, facilities, staffing, professional services, or other practical needs.
Critical Home Repair	Support addressing health, safety, accessibility, habitability, essential household systems, and prevention of significant additional property damage.
Public Safety & Emergency Support	Support for charitable and community response during significant emergencies, disruptions, and recovery efforts.

A particular need may reasonably fit more than one support area. The agreement needs to leave room for practical judgment rather than force an artificial program classification when the charitable purpose is otherwise clear.

How Needs and Opportunities Enter the Church Process

Requests for N2N-supported assistance are received and initially considered through the Church. A need may be identified or referred by Church personnel, another charitable organization, a community contact, a local professional, or later by an administrator engaged by the Church. Regardless of where the information originates, the matter enters the Church's charitable process before N2N-designated funds are used.

A Community Program Administrator may eventually identify and develop opportunities well beyond the Church's existing network. Those opportunities are still brought into the Church's charitable process before N2N-designated funds are used. This keeps the Church informed about all charitable activity being supported through the relationship and avoids the development of a parallel N2N funding operation.

Support Through Other Charitable Organizations

The Church may use N2N-designated funding to support another church, qualified charity, or established community organization when it determines that organization is better positioned to provide the service. This allows the Church to strengthen useful existing resources rather than duplicate work already being done effectively in the community.

The Church should retain the approval, accounting, and stewardship required under the Trust-Church agreement for the N2N-designated funds it uses in this manner. A recipient organization does not become a separate direct N2N funding partner merely because it receives support through the Church.

Church Funding Pool

The initial operating arrangement should use a limited, replenishable pool of N2N-designated funds. The pool gives the Church meaningful ability to respond to qualified needs without returning to the Trustee for each expenditure.

The exact dollar amount, normal funding range, reporting period, replenishment process, and any special limitations should be placed in a confidential funding authorization or schedule that can be revised as experience develops without rewriting the entire agreement.

Funding Element	Operating Direction
Initial funding pool	Amount established in the confidential authorization.
Ordinary charitable use	Handled by the Church within the broad purposes and current funding authority.
Replenishment	Based on funds used, funds committed, remaining balance, expected near-term needs, and current reporting.
Additional capital	Requested when the Church wishes to undertake a commitment beyond the resources or financial range already provided.
Emergency funding	May be increased rapidly or handled through a separate event-specific allocation when circumstances require it.

Requests for Additional Trust Capital

A request for additional capital is primarily a funding request. It needs to explain the amount and nature of the commitment, whether that involves a major project, substantial recurring support, an unusually large emergency need, or a material increase in the Church funding pool.

The Church should provide enough information for the Trust to understand the proposed use, expected amount, timing, and any continuing financial obligation. The Trust then decides whether to make the additional capital available. The Church remains responsible for the charitable judgment associated with the assistance it administers.

Payments and Use of Funds

N2N-designated funds are used in a way that keeps each expenditure connected to the charitable purpose. Depending on the need, payment can go to another charitable organization, contractor, vendor, utility, lodging provider, service provider, landlord, supplier, or another appropriate payee.

Individuals and households receive the benefit of approved assistance rather than unrestricted personal cash. N2N-designated funds should be paid to the organization, contractor, vendor, utility, landlord, lodging provider, supplier, service provider, or other appropriate payee connected to the approved charitable purpose.

Accounting, Reporting, and Replenishment

The Church does not need to create an unnecessarily complex accounting system solely for N2N. It does need a method that allows the designated funds to be identified and reconciled within its existing financial records.

At a minimum, the records should allow the Trust and Church to determine the beginning balance, funds received from N2N, charitable expenditures, administrative expenditures, known commitments, refunds or credits, replenishments, and remaining available balance.

Routine reporting needs to be frequent enough to support stewardship and replenishment, but it does not require case-by-case reporting to the Trust. Unusually large, recurring, conflicted, or professionally reviewed matters may warrant more detail.

REPORTING STANDARD
The Trust needs reliable visibility into the use of its funds. It does not need to duplicate the Church's charitable decision process or receive unnecessary personal information about every recipient.

Administrative Funding and Expansion of Church Capacity

The Church begins at a level its existing staff and systems can reasonably manage. As the work grows, N2N can provide additional designated funding for the administrative help needed to keep the program workable.

Administrative funding may support a Community Program Administrator, Financial Administrator, additional accounting services, software, communications, technology, travel, mileage, recordkeeping, or other reasonable costs created by the expansion of the N2N-supported charitable activity.

Program funding and administrative funding remain identifiable in the Church's accounting. Administrative funding pays for the actual cost of supporting the charitable activity; it is not a general percentage fee or unrestricted payment for the Church's participation.

Church-Contracted Administrators

Community Program Administrator

When the workload justifies the role, the Church may engage a Community Program Administrator using N2N-designated administrative funding. The administrator expands the Church's reach by developing community relationships, visiting organizations and project sites, identifying needs outside the Church's existing contacts, coordinating qualified specialists, following significant projects, and providing Church leadership with information useful to its charitable decisions.

During the Church-administered stage, the administrator represents the Church's charitable activity. Community organizations should encounter the administrator as part of the Church's expanded charitable work rather than as an independent N2N funding office.

Financial Administrator

The Church may engage an accountant, accounting firm, or other qualified financial professional when the volume and complexity of N2N-designated funds require additional support. The role may include reconciliation, commitment tracking, financial reporting, assistance with replenishment information, and financial review of larger or recurring organizational support.

The Financial Administrator supports the Church's administration and reporting. The role does not replace the Church's charitable judgment or create independent authority over Trust capital.

Development of Future N2N or CSA Operating Standards

As administrators gain experience, they can document the policies, procedures, record practices, and financial controls that prove useful. That work is better built from actual cases and projects than from assumptions made before the program has operated.

The Community Program Administrator can document practical standards for organization review, site visits, contractor coordination, technical specialists, project follow-up, and completion. The Financial Administrator can develop appropriate accounting, reporting, commitment tracking, recurring-support review, and financial-control practices.

Those materials should be maintained so they can continue to be used if N2N later becomes independently operational or transitions into Community Support Alliance.

Contractor Agreements and Work Product

Because the Church is the contracting party during this stage, the contractor agreements need to reflect the Church's authority and supervision. Counsel can address scope, confidentiality, records, access, compensation, expenses, authority limits, termination, and continuity in the final agreements.

The agreements also need to address who keeps and may continue using program-development materials created for the N2N-supported activity. Policies, procedures, forms, provider information, training materials, and similar work need to remain available for authorized use if the program later moves to another structure.

Privacy and Public Identification

The Church-administered arrangement allows N2N to remain largely in the background during the development period. The Trust name may appear where appropriate in legal, banking, accounting, tax, contractual, and internal records, while broader public identification of N2N can wait until leadership determines that visibility is appropriate.

Administrators engaged by the Church represent the Church's charitable activity during this stage. Public communications, community visits, and recipient interactions should not suggest that N2N is already operating as a separate public charitable organization.

The individual source of the private funding should remain outside routine community, recipient, vendor, and public communications unless disclosure is required for legal, tax, banking, insurance, contractual, or professional reasons.

Conflicts, Misuse, and Material Concerns

The agreement should require disclosure of material conflicts involving Church decision-makers, administrators, contractors, recipient organizations, or other parties participating in the use of N2N-designated funds. The response should be proportionate to the issue and should preserve a clear record of how the matter was handled.

Suspected misuse of N2N-designated funds, material accounting discrepancies, repeated reporting failures, or other serious stewardship concerns should be communicated promptly to the Trust. The Trust should be able to suspend additional funding while the issue is reviewed without unnecessarily disrupting unrelated charitable activity that is already properly committed.

Unused Funds, Refunds, Credits, and Recoveries

Unused N2N-designated funds should remain identifiable within the Church's accounting. Refunds, vendor credits, insurance recoveries, returned deposits, or similar amounts connected to N2N-funded activity should be credited back to the designated funds or handled according to the agreement.

The agreement should give the parties a practical method for addressing unspent balances when a project changes, a funding pool is reduced, or the relationship ends.

Duration, Suspension, and Transition

The agreement should support continued Church administration for as long as the relationship remains effective and consistent with the Trust's purposes. It should also give both parties a practical method to suspend new activity, reconcile outstanding funds and commitments, and end the relationship if circumstances change.

A later decision to make N2N independently operational or to transition the program into Community Support Alliance should be handled as a deliberate change in operating structure. Until that transition is formally approved and implemented, N2N-supported charitable funding continues through the participating Church.

The transition provisions should address existing commitments, remaining funds, records, contractor relationships, work product, pending projects, and communication with organizations or individuals already involved in active matters.

Counsel Drafting Instructions

Counsel should prepare the formal agreement so that the legal language accurately reflects the operating relationship described in this document. Particular attention should be given to the following matters:

- The Church exercises its own charitable judgment over the N2N-designated funds it administers within the broad purposes and financial boundaries established for the relationship.
- The Trust retains control over how much capital it provides, whether additional capital is committed, and its own fiduciary, banking, tax, and accounting obligations.
- All normal N2N-supported charitable funding continues through the Church during the initial development period, including opportunities identified by Church-contracted administrators.

- The Church may support other qualified charitable organizations and community resources using N2N-designated funds while remaining responsible for the stewardship required under the agreement.
- Program funds and administrative funds remain identifiable, and administrative funding supports actual resources required to administer the charitable activity rather than a general participation fee.
- The Church may engage contractors using N2N-designated administrative funding, with agreements that accurately reflect the Church's authority during this stage.
- Program-development materials remain available for authorized continuing use if the program later transitions from Church administration.
- The agreement preserves N2N privacy during development while allowing required legal, financial, tax, banking, insurance, and contractual disclosure.
- The parties have workable procedures for replenishment, additional capital requests, refunds, unused funds, conflicts, suspected misuse, suspension, termination, and transition.

Professional Issues to Resolve Before Execution

Issue	Counsel / CPA Direction Needed
Legal status of Trust funding	Confirm how transfers from the privately funded Trust to the Church should be characterized and documented.
Church charitable discretion	Confirm the level of restriction N2N may place on designated funds while preserving the Church's own charitable authority and responsibilities.
Individual assistance	Confirm appropriate procedures for Church-administered assistance benefiting individuals, including any private-benefit, earmarking, documentation, or related concerns.
Support to other charities	Confirm the appropriate treatment of Church grants or payments to other qualified charitable organizations using N2N-designated funds.
Administrative contractors	Confirm the Church's contractual, payroll/information-reporting, insurance, and supervision obligations for administrators and other contractors.
Work product	Establish ownership, license, custody, confidentiality, and future-transfer provisions for materials developed for the N2N-supported activity.
Accounting treatment	Confirm treatment of designated program funds, administrative funds, commitments, refunds, recoveries, and remaining balances.
Privacy	Identify information that must be disclosed and information that can appropriately remain private during the development period.
Transition	Provide a legally workable path if N2N later operates independently or becomes part of CSA.

Confidential Schedules and Authorizations

The formal agreement should be supported by separate confidential schedules or authorizations for information that is expected to change or should not appear in the general agreement. These records may include:

- initial Church funding-pool amount;
- normal funding range and any special financial limits;
- reporting interval and required financial information;
- replenishment procedure and contacts;
- emergency or event-specific funding authority;
- approved administrative budget or contractor funding;
- authorized Trust and Church contacts;
- banking or payment information kept outside the general agreement.

Agreement Readiness

The Trust-Church agreement is ready for execution when counsel and the CPA have confirmed the legal and financial treatment of the relationship, Church leadership has approved participation, the accounting method for N2N-designated funds is workable, the initial funding authorization has been prepared, and both parties understand the charitable, financial, reporting, and privacy responsibilities described above.

NEXT OPERATING STEP
After the agreement is executed, the separate Church Funding Pool and Initial Startup Authorization Record should establish the actual amount of money made available, the initial reporting and replenishment terms, and the authority required before funds are transferred.