

CITY OF MADISON
Office of the Mayor **The Joyce Foundation**

DEC 13 2007

December 11, 2007

RECEIVED

VIA EMAIL

Mr. Kenneth R. Mayer
Associate Professor of Political Science
C/O Office of the Mayor
City of Madison
City-county Building, Room 403
Madison, WI 53703-3345

RE: Grant ID 07-30853

Dear Mr. Mayer:

We are pleased to inform you that the Joyce Foundation has approved a one-year, \$16,188 grant to the City of Madison, Office of the Mayor. The grant is to be used to support the research and deliberations of a task force established to determine whether or not the City of Madison should adopt a public financing system for municipal elections. In accordance with the proposal and budget you submitted on November 1, 2007, it is intended that these grant funds will be used from the date received to December 31, 2008. This grant award letter and the attached grant conditions are collectively referred to as the "grant agreement." In all correspondence concerning this grant, please refer to the above grant identification number.

Please submit a report on this grant by December 31, 2008 or within two months of the project's completion. For your convenience, we have enclosed a sheet that contains the information to be included in your grant report in order for us properly to evaluate fulfillment of the terms of the grant and progress of your organization.

It is important that this reporting requirement be fulfilled. If problems are foreseen in providing this report on a timely basis, please contact me so that changes can be discussed.

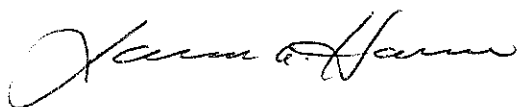
The grant is subject to the grant conditions outlined on the attached form. Please indicate acceptance of the terms of this grant award letter and accompanying grant conditions by signing and returning the form. For your convenience, a self-addressed envelope is enclosed.

Mr. Kenneth R. Mayer
City of Madison, Office of the Mayor
December 7, 2007
Page Two

This grant is scheduled to be paid on December 20, 2007. Payment is contingent on receipt by the Foundation of the signed grant conditions form, which incorporates this grant award letter, and, if applicable, prior fulfillment by your organization of any outstanding grant reporting requirements.

On behalf of the Foundation, I extend every good wish for the success of this endeavor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence N. Hansen".

Lawrence N. Hansen
Vice President

LNH:SG

Enclosures

GRANT CONDITIONS-PROJECT SUPPORT

The following conditions apply to the use of funds provided by The Joyce Foundation pursuant to the attached grant award letter.

A. Expenditure limited to designated purposes Grant funds may be spent only in accordance with the provisions of the grantee's proposal and budget submitted to the Joyce Foundation. Any change in the purposes for which grant funds are spent must be approved in writing by the Joyce Foundation before implementation. Moreover, the grantee must obtain the prior approval of the Joyce Foundation for any budget modification that results in a variance to any line item in the budget that exceeds 20 percent, whether or not the requested variance will affect the grant purposes. It is understood that any unexpended funds remaining from a grant at the end of a grant period will be returned to the Joyce Foundation.

B. Prohibition against certain activities. The grantee may not use this grant to: (1) attempt to influence legislation within the meaning of Section 4945(e) of the Internal Revenue Code; (2) to influence the outcome of any specific election for candidates to public office; (3) to carry on any voter registration drive except as provided in Section 4945(f) of Internal Revenue Code; (4) to induce or encourage violations of law or public policy; (5) to cause any private inurement or improper private benefit to occur; or (6) to take any other action inconsistent with Section 501(c)(3) of the Internal Revenue Code.

C. Reports to the Joyce Foundation. The grantee will furnish the Joyce Foundation with a written report, as described in the accompanying grant award letter. The report will include a complete financial accounting of the use of the grant funds. The financial report should provide a line-by-line reconciliation of the actual expenditures with the approved project budget and note any modifications that were made in accordance with Paragraph A.

In connection with any report to be furnished by the grantee hereunder, the Joyce Foundation may request such additional information as is reasonable and necessary for the Joyce Foundation to determine that the grant funds are being used for the purposes intended and to enable the Joyce Foundation to fulfill its reporting responsibilities. The grantee agrees to furnish such information.

During the grant period, the grantee is responsible for updating the Joyce Foundation upon the change of mailing address, telephone number, email address or significant project staff including the executive director.

D. Maintenance of records. The grantee agrees to maintain adequate records of receipts and expenditures made in connection with the grant funds, consistent with generally accepted accounting principles. Although the grant funds need not be physically segregated, such funds should be shown separately on your books for ease of reference and verification.

E. Evaluation by the Joyce Foundation. The Joyce Foundation may conduct an evaluation of each program of the grantee for which grant funds have been committed. Such an evaluation may include a visit from Joyce Foundation personnel to observe any such program, discussions with the grantee, and a review of financial and other records maintained by the grantee in connection with the program. The grantee agrees to cooperate fully in any such evaluation.

F. Conditions for funding. The Joyce Foundation's funding of future payments is contingent upon (i) its review of grantee's work in connection with this grant and its determination that satisfactory progress and performance of the expected purposes is occurring, (ii) its review and approval of grant reports submitted by grantee, and (iii) its compliance with all terms and conditions of this grant agreement. Grant funding may be curtailed or discontinued and any advancements must be repaid if at any time grant purposes are not met.

G. Discretion and control over other entities. The grantee is solely responsible for the selection and direction of any organization or individual that assists in carrying out the purpose of the grant. There is no agreement, oral or written, that would allow the Foundation to participate in such selection or direction.

H. Use of other's name. The Joyce Foundation may include information about this grant in its periodic public reports. If the grantee includes a reference to the Joyce Foundation's support in any press release, report, or other public form, the grantee agrees to send the language to the Foundation for review prior to release or publication.

I. Affidavit of 501(c)(3) and public charity status. The undersigned certifies that the grantee's 501(c)(3) exemption is in full force and effect and that the organization qualifies as a public charity as defined in IRS Code section 509(a)(1), (2) or (3) and Treasury Regulations section 53.4945-2(a)(6). The undersigned agrees to promptly notify the Joyce Foundation of any change in the organization's status as a tax-exempt organization or as a public charity.

ACCEPTANCE

If this grant agreement, including the attached grant award letter and the grant conditions herein, correctly sets forth your understanding of the terms of this grant, please indicate your organization's agreement to its terms by having an authorized officer sign a copy of this form and return it to the Foundation.

Payment of the grant funds will be made according to the timeframe outlined in the attached grant award letter. Grantee agrees that the grant award letter and grant conditions correctly and fully set out the arrangements and terms of this grant and supersede any prior oral or written understandings or communications between the parties and constitute the entire agreement of the parties with respect to the subject matter. This grant agreement may not be amended or modified, except in writing signed by both parties. This grant agreement is governed by the laws of the State of Illinois.

Under no circumstances will payment of grant funds commence until the Joyce Foundation is in receipt of an executed copy of this form to acknowledge the terms of the grant and the grant conditions as set forth above.

(Signature of Grantee Chief Executive Officer)

(Printed Name)

(Title)

(Date)

City of Madison, Office of the Mayor
(Name of Organization)

07-30853
(Grant number)

FOR YOUR FUTURE REFERENCE OF THE TERMS AND CONDITIONS OF THIS GRANT, PLEASE MAKE A COPY OF THE SIGNED FORM FOR YOUR FILES.