



FISCAL SPONSORSHIP AGREEMENT

Purpose of Agreement

This Agreement is made this ____ day of _____, 20__, by and between Arts Business Collaborative, Inc. ("ABC") and _____ ("SPONSOREE"). ABC and SPONSOREE are sometimes referred to herein as the "Parties")

WHEREAS, SPONSOREE desires to seek financial support for the project described in Schedule A attached hereto (the "Project"); and

WHEREAS, ABC has determined that financial support of the Project will further ABC's tax-exempt purposes; and

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereinafter agree as follows

1. Fiscal Sponsor

- 1.1 ABC hereby agrees to act as the fiscal sponsor for the Project and hereby engages SPONSOREE to implement and operate the Project in accordance with the terms hereof.
- 1.2 SPONSOREE shall provide ABC with its governing documents, documentation of its taxpayer ID number obtained from the Internal Revenue Service (IRS), and such other information as may reasonably be requested to confirm that SPONSOREE is a legal entity eligible to do business in the State of New York.
- 1.3 ABC's relationship to Company shall be that of a fiscal sponsor of the Project. Nothing in this Agreement shall constitute naming ABC as an agent or legal representative of ABC for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement does not constitute a contract of employment between ABC and any individual. This Agreement shall not be deemed to create any relationship of agency, partnership or joint venture between ABC and SPONSOREE, and SPONSOREE shall make no such representation to anyone.

- 1.4 SPONSOREE shall operate the Project in a manner consistent with ABC's tax-exempt status. Additionally, SPONSOREE shall provide written grant guidelines as described in Schedule A within thirty (30) days of signing this Agreement. SPONSOREE shall make no material changes in the purposes or activities of the Project without prior written permission of ABC, nor shall SPONSOREE carry on the Project's activities or use funds in any way that jeopardizes ABC's tax-exempt status. In the event SPONSOREE wishes to add a new program or otherwise change the scope of the Project, it shall cooperate with ABC to amend Schedule A upon mutual written consent only.
- 1.5 SPONSOREE shall operate the Project in a manner consistent with any joint interest agreement or memorandum of understanding with present and future national and international organizations presently executed or in the future. ABC will provide notice within 90 days of any agreements that may impact this Fiscal Sponsor Agreement. All such agreements will become incorporated as Schedule B.
- 1.6 ABC will impose no artistic judgments on the Project or in any way attempt to determine the content of the Project.
- 1.7 The copyright for any product, such as books, videos, websites, project names and trademarks, produced by the Project is owned by SPONSOREE. Any royalties from such products are revenue to SPONSOREE. These products may be transferred, along with other assets, to any 501(c)(3) nonprofit organization, but may not be used for the private benefit of SPONSOREE's owners, employees, contractors, or other private parties.
- 1.8 SPONSOREE shall notify ABC immediately of any change in (a) SPONSOREE's legal or tax status, and (b) SPONSOREE's executive or key staff or volunteers responsible for achieving the Project's purposes.
- 1.9 SPONSOREE may not enter into any agreement with any for-profit entity or individual in which ownership or creative control of the Project is transferred from SPONSOREE to such entity or individual without prior written consent from ABC. ABC agrees not to unreasonably withhold consent, provided the proposed arrangement is consistent with Section 501(c)(3) of the Internal Revenue Code ("IRC").
- 1.10 SPONSOREE shall not use any portion of the Project funds granted herein in any attempt to influence legislation within the meaning of IRC Section 501(c)(3). No agreement, oral or written, to that effect has been made between ABC and SPONSOREE.
- 1.11 SPONSOREE shall not use any portion of the Project funds granted herein to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with IRC Section 501(c)(3).
- 1.12 SPONSOREE shall use no other fiscal sponsor for the Project without ABC's prior written approval, which shall not be unreasonably withheld.

II. Financial Services

- 2.1 ABC will establish and operate for the use of the Project, a Project Fund (a "Fund").
- 2.2 ABC will disburse monies from the Fund only as requested in writing by SPONSOREE and only as authorized by this document. Monies will be disbursed within thirty (30) days of written request, or as soon as practicable thereafter.
- 2.3 ABC will maintain all financial records relating to the Project according to generally accepted account principles, retain records as long as required by law and make records available to auditors as required by law. All disbursements from the Fund shall be treated as payments made on behalf of SPONSOREE to accomplish the purpose of the Project.
- 2.4 Each year, ABC will cause to be prepared and filed IRS 1099 forms reflecting all payments from the Fund as payments made on behalf of SPONSOREE to independent contractors and/or as payments to SPONSOREE, as applicable. SPONSOREE will provide SPONSOREE with proper documentation to accomplish this, including furnishing ABC with SPONSOREE's Social Security number or Federal Employer Identification number. SPONSOREE is responsible for the tax implications of these monies.
- 2.5 ABC will reflect the activities of the Project to the extent required on its New York State and federal government tax returns and financial reports.
- 2.6 Except to the extent specifically set forth in this Agreement, ABC shall have no responsibility to prepare or file any returns or reports with any governmental agency on behalf of SPONSOREE or the activities of the Project. Specifically, SPONSOREE is solely responsible for obtaining any licenses, permits, or other approvals for conduct of the Project.
- 2.7 All individuals rendering services to the Project shall render such services under the supervision of SPONSOREE. Should any individual contractor be reclassified as an employee, said employee shall be considered an employee of SPONSOREE.
- 2.8 ABC shall submit a full and complete financial report to SPONSOREE as of the end of each calendar quarter, within thirty (30) days of the end of such calendar quarter. The report shall describe all Project funds received and payments made by ABC on behalf of SPONSOREE.
- 2.9 If ABC in its sole discretion, at the request of SPONSOREE, pays to SPONSOREE any portion of the Fund directly, SPONSOREE shall provide a full and complete financial report to ABC within thirty (30) days of the end of each subsequent calendar quarter until such funds are expended in full. The report shall describe the expenditures paid with the proceeds of the Fund. SPONSOREE shall repay to ABC any portion of any such

payment which is not used to accomplish the purpose of the Project.

- 2.10 SPONSOREE agrees and acknowledges that the obligation of SPONSOREE to provide receipts to ABC documenting the disbursement of the Fund is a material term of this Agreement. SPONSOREE shall take all reasonable measures, with time being of the essence, to provide receipts related to funds disbursed to SPONSOREE or directly disbursed to individuals or organization as directed by SPONSOREE. Failure to provide such information shall be deemed a material default of this Agreement and ABC shall be entitled to pursue all relevant legal remedies to protect its rights which shall include the right to be reimbursed for all damages, costs and expenses including reasonable attorneys' fees.

III. Fundraising

- 3.1 SPONSOREE may solicit gifts, contributions and grants to ABC, restricted for the Project's purposes. SPONSOREE's choice of funding sources and the text of ABC's fundraising materials are subject to ABC's prior written approval. All grant agreements, pledges or other commitments with funding sources to support the Project via the Fund shall be executed by ABC. The cost of any additional reports or other compliance measures required by such funding shall be borne by SPONSOREE. All contributions will be made in the name of ABC.
- 3.2 SPONSOREE will, at regular intervals or upon request by ABC, provide ABC with copies of all correspondence, proposals, solicitation materials, contracts, agreements and other associated documents relating to grants, loans and contributions to be made payable to ABC.
- 3.3 SPONSOREE will prepare and submit reports detailing progress on the Project and any related programs to ABC at least once per quarter. Upon request, ABC will provide SPONSOREE with a template detailing the information to be included in the quarterly reports.
- 3.4 ABC will provide the functionality such that donations to the Project may be made directly through its website, www.artsbusinesscollaborative.org.
- 3.5 ABC will accept donations strictly in accordance with its then existing gift acceptance policy.
- 3.6 ABC agrees to acknowledge receipt of donations in writing to donors, as required under federal tax law, and to furnish evidence of ABC's status as an organization qualified under Section 501(c)(3) of the Code to donors on request.

IV. Promotion

- 4.1 ABC may use the names and descriptions of the Project for information and promotion purposes provided however that all such published material shall be subject to SPONSOREE's reasonable approval in advance of publication.
- 4.2 SPONSOREE agrees and acknowledges that proper accreditation to ABC as a fiscal sponsor of the Project is a material term of this Agreement. To that end, SPONSOREE agrees to provide the appropriate credit to ABC on its social media posts and other promotional materials and shall take steps to include ABC's logo and other insignia on the same. SPONSOREE shall, on a regular basis, cooperate with ABC to strategize and plan the appropriate acknowledgment of ABC in its own promotional materials as well as brand sponsored promotional materials.
- 4.3 SPONSOREE will be given the option to purchase any ABC technical assistance package at a twenty-five percent (25%) discount off normal rates.

V. Fees and Charges

- 5.1 In consideration of ABC's agreement to act as fiscal sponsor for the Project, and to cover ABC's expenses in connection with the project as outlined above, SPONSOREE will pay the fees, charges and expenses as further set forth in Schedule C attached hereto.
- 5.2 SPONSOREE hereby authorizes ABC to directly deduct the applicable Sponsorship Fee and Administrative fees from the Fund.
- 5.3 If ABC is in possession of Funds for the benefit of SPONSOREE or a Project or program of SPONSOREE prior to the signing of this Agreement, such funds shall be included for purposes of calculating the applicable Sponsorship Fee and Administrative Fee set forth in Schedule C. By way of example only, if ABC is in possession of \$75,000 in donations on behalf of SPONSOREE as of the date this Agreement is signed, such amount shall be included for purposes of calculating the Sponsorship Fee and Administrative Fee due and owing to ABC.
- 5.4 ABC shall retain any and all interest income accrued or earned on the Fund from bank deposits or the like.
- 5.5 Sponsorship and Administrative Fees are separate and any apart from any liabilities or direct expenses associated with the Project. ABC will charge SPONSOREE directly for any liabilities or direct expenses it may incur on behalf of the Project, including but not limited to bank charges and postage fees.

VI. Liability and Insurance

- 6.1 SPONSOREE is liable for any and all debts and obligations incurred in good faith by ABC on the Project's behalf during the period of this Agreement, unless such debt or obligations are the result of ABC's gross negligence, recklessness or willful misconduct.
- 6.2 SPONSOREE hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless ABC, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorney fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of SPONSOREE, or SPONSOREE's employees or agents, in implementing and operating the Project, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of ABC, its officers, directors, trustees, employees or agents.
- 6.3 SPONSOREE shall obtain such liability insurance as ABC may require and shall upon ABC's request cause any such policy to specify ABC as a named insured or additional insured under the policy.

VII. Termination

- 7.1 This agreement will terminate if any of the following events occur:
 - (a) ABC requests SPONSOREE to cease activities that ABC deems inconsistent with its tax-exempt purpose and SPONSOREE fails to comply within a period of ten (10) days;
 - (b) SPONSOREE fails to perform or observe any other covenant of this Agreement, which failure remains uncured after fifteen (15) days notice in writing;
 - (c) Upon the expiration of four (4) weeks after either SPONSOREE or ABC has given written notice of its intent to terminate the agreement.
- 7.2 Except for amounts due ABC pursuant to Article 5 hereof, no amounts shall be disbursed from a Fund to or for the benefit of SPONSOREE during the 10-day or 15-day periods referred to in Paragraph 7.1 unless the ABC request is complied with or the failure in question is remedied, as the case may be, before such period has expired.
- 7.3 SPONSOREE shall immediately return any disbursements from the Fund, or any portions thereof, in its possession to ABC during the 10-day or 15-day periods referred to in Paragraph 7.1.
- 7.4 In the event this Agreement is terminated, Project funds shall not be transferred to any person or entity without the consent of ABC, and shall in any event be restricted to transfer to a 501(c)(3) organization to accomplish the purpose of the Project as

nearly as possible within ABC's sole judgment.

VIII. Miscellaneous

- 8.1 This Agreement shall supersede any prior oral or written understandings or communications between the Parties and constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by the Parties hereto.
- 8.2 The Parties represent and warrant that the individual signing this document is duly authorized and has all legal authority and power to bind the respective Party.
- 8.3 This Agreement shall be governed by and construed in accordance with the law of the State of New York applicable to agreements made and to be performed entirely within such State.
- 8.4 **Dispute Resolution.** In the event of a dispute under this Agreement, ABC and the Sponsoree shall make a good faith effort to resolve such dispute cooperatively before seeking to resolve any dispute by arbitration or otherwise proceeding with any remedy available at law or in equity.
- 8.5 **Severability.** Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision.
- 8.6 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, admissible into evidence, notwithstanding the fact that all Parties have not signed the same counterpart. Delivery of an executed counterpart by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Form ("PDF") shall be equally effective as delivery of a manually executed counterpart.
- 8.7 **Attorneys' Fees.** In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

ARTS BUSINESS COLLABORATIVE, INC. ("ABC")

By: _____

Title: _____

Name (Type): _____ ("SPONSOREE")

By (Signature): _____

Title: _____

Name (Type): _____ ("SPONSOREE")

By (Signature): _____

Title: _____

SCHEDULE A

Project: _____

SPONSOREE'S Mission Statement and Grant Guidelines

SCHEDULE B

ABC Joint Interest Program or Memorandum of Understanding

SCHEDULE C

FEE SCHEDULE

Donations Received (total income)	Sponsorship Fee %	Total Min Admin Fee
\$0 - \$75,000	10%	\$6,500
\$75,001 - \$500,000	9%	\$15,089
\$500,001 - \$1,500,000	8%	\$18,937
\$1,500,001 - \$3,000,000	7%	\$26,250
\$3,000,001 - \$5,000,000	6%	\$45,000
\$5,000,001 - \$10,000,000	5%	\$62,500
\$10,000,000+	4%	\$100,000

If ABC is in possession of Funds for the benefit of SPONSOREE or a Project or program of SPONSOREE prior to the signing of this Agreement, such funds shall be included for purposes of calculating the applicable Sponsorship Fee and Administrative Fee set forth herein.