

Fiscal Sponsorship Agreement

Brolly Arts is dedicated to creating meaningful art and vibrant communities through artistic and civic collaboration and experimentation. Fiscal Sponsorship from Brolly Arts requires that project activities are in line with the organization's mission and must be artistic and charitable in nature.

Brolly Arts ("Grantor") agrees to receive tax-deductible charitable gifts, grants and contributions to be awarded by donors ("Donors") to Grantor for the purposes of the charitable activities described in Attachment A - Project Description ("Project"). As part of its charitable purposes, Grantor will grant all amounts that it may receive from Donors for the purposes of the Project, less any administrative handling charge as stated below, to the responsible legal entity identified in the fiscal sponsorship description ("Grantee"), subject to the terms and condition herein.

1. If Grantee is an organization, Grantee represents and warrants that its governing documents presented to Grantor, are approved as satisfactory by Grantor to evidence Grantee's existence as a legal entity and are accurate and complete. If Grantee is an individual, Grantee shall personally assume full legal, fiscal, and oversight responsibility for all responsibilities and obligations of Grantee under this Agreement in particular and the grantor-grantee relationship in general.

2. Grantee shall use the grant solely for the purposes of the Project, and Grantee shall repay to Grantor any portion of the amount granted which is not so used by Grantee, provided, however that:

a. Any changes in the purposes for which grant funds are spent by the Grantee must be approved by the Grantor (in writing or by email) before implementation.

b. Grantor retains the right, if Grantee materially breaches this Agreement or if Grantee's conduct of the Project jeopardizes Grantor's legal, tax, charitable, financial, or reputational status, to withhold, withdraw, or demand immediate return of grant funds, to either stop or end the Project, or to spend such funds to accomplish the purposes of the Project as nearly as possible within the Grantor's sole judgment.

c. In the event of a non-material breach or Project deficiency, Grantee will have seven business days (7) days from Grantor's written notification to cure such breach or deficiency to the sole satisfaction of Grantor.

3. Grantee may solicit monetary gifts, contributions, grants and non-monetary gifts to Grantor for the purposes of the Project. Grantee's choice of funding sources to be approached and the text and design of Grantee's fundraising materials referencing Grantor or tax-deductible contributions to Grantor are subject to Grantor's prior approval (in writing or by email). All grant agreements, pledges, or other commitments with funding sources to support the Project via Grantor's restricted fund shall be executed by Grantor. The cost of any reports or other compliance measures required by such funding sources shall be borne by Grantee. Notwithstanding anything in this paragraph, Grantee is not authorized bind Grantor, incur obligations on Grantor's behalf, make representations concerning Grantor's tax-exempt status, or make any commitment concerning Grantor's acceptance or use of charitable funds without Grantor's prior written authorization. Further, Grantee agrees that it is acting as a representative of Grantor solely in a volunteer capacity and is not owed any compensation or other consideration, and agrees not to seek any compensation or other consideration, from Grantor for any solicitations conducted by Grantee pursuant to this Agreement.

4. Except as specifically and to the extent set forth in paragraph 3 above, (i) nothing in this Agreement shall constitute the naming of Grantee as an agent or legal representative of Grantor for any purpose whatsoever; and (ii) this Agreement shall not be deemed to create any relationship of partnership, joint venture, or other agency between the parties hereto, and Grantee shall make no such representation to anyone.

5. Grantee understands that, in compliance with applicable laws, Grantor retains full legal ownership of, and discretion and control over, funds contributed to Grantor for the purposes of the Project until such funds are granted or spent in accordance with this Agreement.

6. Because the funds are held for the purposes for which such funds were given, the parties intend that its assets are not subject to the claims of any creditor or to legal process resulting from activities of Grantor unrelated to such purposes.

7. Grantee is responsible for notifying Grantor of any benefits provided by Grantee to Donors in exchange for any contribution, and for estimating the fair market value of such benefits. For example, if Grantee holds a fundraising event to support its sponsored activities and sells tickets for $50, but ticket buyers receive $20 worth of entertainment and refreshments at the event, then Grantee must provide this information to Grantor so that Grantor may issue appropriate and accurate tax receipts to said Donors.

8. Grantee understands that contributions to Grantor for the purposes of the Project are only tax deductible under the Internal Revenue Code to the extent that they are motivated by donative intent. All Donors should consult with a professional tax advisor regarding the deductibility of their contributions. Anyone making a contribution for the purposes of the Project without the requisite intent, especially the Grantee or a member of the Grantee's family, should consult a professional tax advisor. Grantor

reserves the right not to accept any contribution. Grantor assumes no responsibility for ensuring that contributions to Grantor for the purposes of the Project are tax-deductible to any particular Donor. Grantor does not provide individual tax advice; therefore, all Donors are encouraged to consult their own outside professional advisers to address questions on deductibility or donative intent.

9. In order to defray Grantor's costs of administering the restricted fund and this grant, Grantor shall deduct an administrative fee of 6% of the full amount of any donation designated for purposes of the Project. This non-refundable administrative charge shall be assessed, recorded, and deducted at the time each donation is received. Grantor may additionally, at its sole discretion, deduct from the funds any special or unusual costs it incurs in administering the funds (such as bank penalty fees resulting from a Donor's bounced check).

10. In furtherance of Grantor's charitable mission and the Project's charitable intent, the parties desire to ensure that works produced using grant funds are made available for public (rather than private) benefit. As such, Grantee shall not sell or transfer the right to distribute, exhibit, or otherwise profit from such works or any part or derivatives of such works to a third party without Grantor's written consent. Any physical assets to be purchased with charitable funds that are not identified in Attachment A and not otherwise mutually agreed in writing, belong to Grantor.

11. The Grantee is responsible for reporting all money released from the fund to the IRS as taxable income. Grantor will issue 1099 forms as required by law.

12. Grantee shall submit a full and complete report to Grantor no later than 90 days following the end of each year within which any portion of this grant is received or spent. The report shall describe the charitable programs conducted by Grantee with the aid of this grant and the expenditures made with grant funds, and shall report on Grantee's compliance with the terms of this Agreement.

13. This grant is not earmarked to be used in any attempt to influence legislation within the meaning of Internal Revenue Code (IRC) Section 501(c)(3). No agreement, oral or written to that effect has been made between Grantor and Grantee. Thus, any use of grant funds by Grantee for such activities constitutes a decision of Grantee that is wholly independent of Grantor. Grantee shall not use any portion of the 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).

14. Grantee shall notify Grantor immediately of any change in (a) Grantee's legal or tax status, or (b) Grantee's executive staff or key staff responsible for achieving the Project purposes.

15. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Grantor, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorney's fees) to the extent arising from or in connection with any negligence or willful misconduct of Grantee, its employees, or its agents, in applying for or accepting a donation or grant, and/or in expending or applying the funds furnished by Donors or under a grant.

Notwithstanding any other provision of this Agreement, this paragraph #15 shall survive the termination of this Agreement.

16. This Agreement may be terminated by either party (a) with cause immediately upon providing notice (in writing or by email) of such termination and the cause for such termination to the other party, or (b) without cause twenty (20) business days after providing notice (in writing or by email) of such termination to the other party.

The Agreement may be terminated by the Grantee when the purposes of the Project can no longer reasonably be accomplished, or upon Grantee receiving its direct federal 501(c)(3) tax-exempt determination from the IRS.

17. Grantor, at any time and with reasonable advance notice, may conduct an audit of the Project's activities. Such audits are intended to investigate and document that the Project is being carried out in accordance with the Project description, this contract, Grantor's exempt purposes, and all applicable laws. Failure on the part of Grantee to provide full cooperation and adequate access to documentation in the event of an audit shall be considered a breach of this Agreement.

19. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way, and the invalid provision replaced by an enforceable provision most nearly approximating the intent of the parties.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. Grantor reserves the right to modify or amend this Agreement at any time, provided that such modification or amendment shall not be effective until thirty (30) calendar days after notice (either in writing or by email) describing such modification or amendment is provided to Grantee. Grantor reserves the right to assign its rights and responsibilities under this Agreement to another fiscal sponsor recognized as tax-exempt within the meaning of Section 501(c)(3) and a public charity described in Section 509(a). Grantor shall notify Grantee of any such assignment. Grantee may not sign any part of this Agreement without Grantor's written request.

This Agreement is made and entered into this _____ day of _____, year _____, by and between Brolly Arts ("Grantor"), and _____ ("Grantee").

Brolly Arts

By: _____
Amy MacDonald or Designee

Name: _____

By: _____

Name (Print):_____

Title: _____