

FISCAL SPONSORSHIP GRANT AGREEMENT – MODEL C

This Fiscal Sponsorship Grant Agreement – Model C (the “Agreement”) is made by and between Independent Arts & Media (“Sponsor”), and [NAME] (“Grantee”). Sponsor is a California nonprofit public benefit corporation qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Grantee is [an individual with an address located at []] OR [a [state of formation] corporation/limited liability company/other] with a principal office located at [].

RECITALS

A. Sponsor has approved the establishment of a restricted fund on its books to receive donations and grants of cash and other property earmarked for support of the purposes of the project known as the [NAME] (the “Project”), which is a set of charitable programs and activities with a mission to [], within the range of permissible activities consistent with IRC Section 501(c)(3). After appropriate due diligence of Grantee’s qualifications and the Project proposal, Sponsor is satisfied that the purposes of the Project are consistent with Sponsor’s charitable purposes and Grantee is capable of producing the Project in a professional, competent, and diligent manner. Accordingly, Sponsor has decided to grant, in its discretion, the amounts and assets that it may receive and deposit to that restricted fund (less any administrative allocation as described herein) to Grantee, subject to the terms and conditions of this Agreement, to be used in support of the purposes of the Project.

B. Sponsor desires to act as the fiscal sponsor of the Project, by receiving assets identified with the purposes of the Project beginning on the Effective Date as defined in Section 1, and using them to pursue the objectives for which the Project is being established, which Sponsor has determined will further Sponsor’s exempt purposes. Grantee desires to conduct the Project with such grant support as Sponsor may provide.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Term of Agreement. On [], 202[] (the “Effective Date”), this Agreement shall commence and shall continue in effect unless and until terminated as provided herein.

2. Project Activities. The relationship between Sponsor and Grantee as a result of this Agreement is that of grantor-grantee. Sponsor shall not be responsible for the programmatic work, fundraising events, accounts payable and receivable, negotiation of contracts, insurance, day-to-day use of funds granted to Grantee, or other matters related to activities conducted by Grantee, whether associated with the Project or otherwise. No person working on the Project shall be an employee or agent of Sponsor with respect to such work. Grantee shall assume full and complete responsibility for all liabilities to third parties incurred by or in connection with the Project, including but not limited to accounts payable, any and all claims whether asserted or unasserted while this Agreement is in effect, any performances due under contracts, any goods to be delivered, and any services to be performed.

3. Policy Manual. [Individual: Grantee personally assumes full legal, fiscal, and oversight responsibility for all obligations and commitments of Grantee under this Agreement. OR Entity: Grantee shall provide Sponsor with its governing documents, Employer ID Number, and

such other documentation as is satisfactory to Sponsor, showing Grantee's separate existence as an organization.] Grantee shall abide by the Model C Policy Manual of Sponsor attached hereto as Exhibit A (the "Policy Manual"), which Policy Manual may be amended by Sponsor in its sole discretion from time to time with written notice to the Grantee. The Policy Manual includes, in addition to other provisions, the administrative allocation and other amounts to be allocated to the general fund of Sponsor from the Restricted Fund, as defined in Section 9 below.

4. Grants. Sponsor shall have authority over the financial administration of the Restricted Fund, as defined below, and shall be responsible for the processing, acknowledgment, and deposit in the Restricted Fund of cash and noncash items received to support and advance the purposes of the Project. Sponsor shall make grants from the Restricted Fund to support the purposes of the Project, subject to the terms and conditions of this Agreement, in amounts and at times in Sponsor's sole discretion. All other authority and responsibility related to the Project shall be vested in and exercised by Grantee, including the duty to comply with the terms of this Agreement and with the terms of any agreements with funding sources, including the preparation of any required grant reports, although ultimate responsibility for administration of the Restricted Fund rests with Sponsor. All grants made by Sponsor to Grantee pursuant to this Agreement are gifts, subject to the conditions and restrictions contained herein, and not payments for services, and each grant made to Grantee may be subject to additional terms and/or restrictions as set forth in a written communication by Sponsor, including as required for compliance with the terms of any agreements with funding sources to Sponsor for the purposes of the Project. Any grant of a noncash item shall be granted to Grantee on an "as is" basis without any warranty or representation whatsoever, either express or implied, about the condition, merchantability, design, or operation of such item, or its fitness for any particular purpose, or the quality or capacity of the materials in it.

5. Intellectual Property. Any tangible or intangible property, including copyrights, trademarks, or other intellectual property, obtained or created by Grantee as part of the Project shall remain the property of Grantee, subject to any third-party rights in the same, and Grantee shall be the sole party responsible for the editorial and creative direction of the Project. Notwithstanding the foregoing, Grantee grants and agrees to grant to Sponsor an irrevocable, perpetual, worldwide, royalty-free, nonexclusive, sublicensable license to copy, publish, display, and distribute any publications, studies, research, work product, or other intellectual property obtained or created by Grantee with funds or assets granted by Sponsor, including so that Sponsor may satisfy its obligations under any agreement with a funder. Grantee further agrees to ensure that any finished product or products created by Grantee as part of the Project using funds or assets granted by Sponsor are produced, provided, or otherwise utilized in a manner that benefits the public.

6. Solicitation of Funds. Grantee's directors, officers, employees, and authorized volunteers may, as limited agents of and on behalf of Sponsor, solicit gifts, contributions, and grants to Sponsor, designated for the purposes of the Project; provided, however, that such individuals shall be authorized to act as agents of Sponsor only with Sponsor's prior approval and solely for the limited purpose of soliciting gifts, contributions, and grants to Sponsor for the purposes of the Project. The choice of funding sources to be approached and the text of fundraising materials shall be subject to Sponsor's prior written approval. All grant agreements, pledges, or other commitments with funding sources to support the purposes of the Project shall be executed by Sponsor.

7. Use of Grants. Grantee shall use all grants disbursed by Sponsor pursuant to this Agreement solely for the purposes of the Project in a manner that is consistent with IRC Section

501(c)(3) and regulations and rules applicable to organizations recognized as exempt thereunder, and Grantee shall repay to Sponsor any portion of any grant that is not spent or committed for those purposes. For the avoidance of doubt, Grantee shall use all grants provided by Sponsor solely for activities and expenses directly related to the purposes of the Project described above in Recital A, and shall ensure that such grant funds are not used to provide any prohibited private benefit to Grantee or otherwise. Any significant change in the purpose for which a grant is to be used must be approved in writing by Sponsor before implementation. Sponsor retains the right, if Grantee breaches this Agreement, to withhold, withdraw, or demand immediate return of grants made from Sponsor to Grantee, and to spend such amounts so as to support and advance the purposes of the Project as nearly as possible within Sponsor's sole judgment. Grantee agrees to acknowledge Sponsor's sponsorship/grants in any Project credits. This acknowledgement shall include a website URL for Sponsor on Project documents, collateral, and finished products. Grantee further agrees to comply with all state, federal, and local laws, in its activities and in the production and/or distribution of publications or other goods or services produced in connection with the Project.

8. Independent Contractors. With regard to the selection of any contractors, vendors, or subgrantees to advance the purposes of the Project, Grantee retains full discretion and control over the selection process, acting completely independently of Sponsor. There is no agreement, written or oral, by which Sponsor may cause Grantee to choose any particular contractor, vendor, or subgrantee.

9. Restricted Fund; Variance Power. Beginning on the Effective Date, Sponsor shall place all gifts, grants, contributions, and other revenues received by Sponsor to support and advance the purposes of the Project, subject to the amounts to be allocated to the general fund of Sponsor as described in the Policy Manual, into a restricted fund to be used for the sole benefit of furthering the purposes of the Project described above in Recital A (the "Restricted Fund"). Sponsor retains the unilateral right to spend such funds and use such other assets so as to support and advance the purposes of the Project as nearly as possible, subject to any donor-imposed restrictions as to purpose and consistent with the terms of any applicable grant agreement regarding the charitable use of such assets. With regard to the selection of Grantee or any other grantee to carry out the purposes of the Project, Sponsor retains full discretion and control over the selection process, acting completely independently of any revenue source. The parties agree that all money, and the fair market value of all property, in the Restricted Fund be reported as the income of Sponsor, for both tax purposes and for purposes of Sponsor's financial statements. It is the intent of the parties that this Agreement be interpreted to provide Sponsor with variance powers necessary to enable Sponsor to treat the Restricted Fund as Sponsor's asset in accordance with Accounting Standards Codification ("ASC") paragraphs ASC 958-605-25-25 and -26, formerly expressed in Statement No. 136 issued by the Financial Accounting Standards Board, while this Agreement is in effect.

a. Grantee further acknowledges that, notwithstanding anything in this Agreement, Sponsor shall have the authority, in its discretion, to modify the operations and/or activities described in this Agreement so as to ensure that the Restricted Fund is not classified as a donor-advised fund within the meaning of IRC Section 4966(d)(2), including if any final regulations regarding such Section or donor-advised funds in general are issued, if determined appropriate by Sponsor in its reasonable judgment.

10. Reporting and Recordkeeping. For so long as this Agreement is in effect, Grantee shall submit annual written reports to Sponsor on **December 21 of each year**, or on the nearest

business day following such date should they fall on a weekend or holiday, and shall submit additional interim reports as otherwise reasonably requested by Sponsor, including as necessary or appropriate for Sponsor to comply with its obligations under any agreement Sponsor has with a funder. Grantee shall also submit a final report to Sponsor upon termination of this Agreement. Each report shall be provided using the online form provided by Sponsor and shall describe the charitable programs conducted by Grantee with the aid of Sponsor's grant(s), the expenditures made with grant funds from Sponsor during the prior year, and Grantee's compliance with the terms of this Agreement since the later of the Effective Date of this Agreement or the date of Grantee's most recent prior report to Sponsor. The reports required to be submitted by Grantee to Sponsor pursuant to this Section shall contain sufficient information to establish that all funds and assets granted by Sponsor were used for the purposes of the Project and in furtherance of Sponsor's exempt purposes. Grantee shall treat all funds and other assets granted by Sponsor as restricted assets and shall maintain books accounting for such grant funds and other assets separately from other funds or assets. Grantee shall keep adequate records to substantiate its expenditures of grant funds. Grantee shall make these books and records available to Sponsor at reasonable times for review and audit, and shall comply with all reasonable requests of Sponsor for information and interviews regarding use of such grant funds, including as necessary or appropriate for Sponsor to comply with its obligations under any agreement Sponsor has with a funder. Grantee shall keep copies of all relevant books and records and all reports to Sponsor for at least four (4) years after completion of the use of all funds granted by Sponsor.

11. Performance of Exempt Purposes. All of the assets received by Sponsor under the terms of this Agreement shall be devoted to the purposes of the Project, within the tax-exempt purposes of Sponsor. All funds granted by Sponsor shall be used by Grantee solely for the purposes of the Project and, unless Sponsor and Grantee enter into a separate written grant agreement, Grantee shall not use any portion of such grant funds to attempt to influence legislation within the meaning of IRC Section 501(c)(3) and the associated regulations. Grantee acknowledges that any and all grants made by Sponsor to Grantee are intended to constitute "controlled grants" within the meaning of 26 CFR § 56.4911-4(f)(3) unless otherwise specified in a separate written grant agreement. Should Grantee use any portion of the funds granted by Sponsor for a purpose other than the purposes of the Project, including attempts to influence legislation or for other lobbying activities, without the prior written consent of Sponsor, Grantee shall repay to Sponsor any portion of such grant funds which is so misused by Grantee. If Grantee engages in conduct that Sponsor determines in its sole discretion may jeopardize Sponsor's legal or tax-exempt status, reputation, or goodwill, Sponsor retains the right to withhold, withdraw, or demand immediate return and repayment of any funds granted by Sponsor from Grantee. Grantee shall not use any portion of the funds granted by Sponsor or proceeds of such funds to directly or indirectly 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).

12. Termination.

a. Immediate Termination. This Agreement may be terminated by Sponsor immediately if Sponsor determines in its discretion that (1) the objectives of the Project have been fully accomplished or the Project is no longer active; (2) there are insufficient funds remaining in the Restricted Fund; (3) the Project is not being operated or Grantee is otherwise not operating in compliance with the Policy Manual, this Agreement, or other

procedures or requirements of Sponsor; or (4) Grantee's activities, including but not limited to those in connection with the Project, pose any unacceptable risk or potential of harm to Sponsor. If Sponsor terminates this Agreement as described in this Subsection, Sponsor may dispose of the remaining funds and assets held by Sponsor in the Restricted Fund for the purposes of the Project, in its sole discretion, in any manner consistent with applicable tax and charitable trust laws.

b. Transfer to a Successor. If the objectives of the Project can still reasonably be accomplished, but either Sponsor or Grantee desires to terminate this Agreement for any reason, the terminating party shall provide a written notice of termination to the other party. Once such written notice of termination of this Agreement is provided, Grantee shall have sixty (60) days to find another nonprofit corporation which is (i) tax-exempt under IRC Section 501(c)(3); (ii) not classified as a private foundation under IRC Section 509(a); and (iii) willing and able to sponsor the Project through grants as described in this Agreement (a "Successor"). The ability to sponsor the Project shall be evidenced by having exempt purposes consistent with the purposes of the Project and the administrative and financial capacity to competently and lawfully sponsor the Project through grants as described in this Agreement. If Grantee has formed, or Grantee itself is, a nonprofit corporation, it may be proposed as the Successor as long as it meets all of the above requirements. Any proposed Successor must be approved in writing by Sponsor before the end of the sixty (60) day period (or such extension as is provided by Sponsor) to be eligible. If a Successor is found and agreed to by the parties within sixty (60) days (or such other period as determined by Sponsor), the balance of assets, including any tangible or intangible noncash assets, held by Sponsor in its Restricted Fund for the purposes of the Project (less the amounts to be allocated to the general fund of Sponsor as described in the Policy Manual) shall be transferred to the Successor pursuant to a separate written transfer agreement and subject to the approval of any third parties that may be required.

i. This Agreement shall terminate under Subsection b. upon the earlier of (1) the expiration of the sixty (60) day notice period or any extension thereof as set forth above, or (2) the transfer of the balance of assets held by Sponsor in its Restricted Fund for the purposes of the Project (less the amounts to be allocated to the general fund of Sponsor as described in the Policy Manual) to a Successor. If no Successor is found within the sixty (60) day notice period or any extension thereof as set forth above, this Agreement shall terminate and Sponsor may dispose of the assets held in the Restricted Fund for the purposes of the Project, in its sole discretion, in any manner consistent with applicable tax and charitable trust laws. If the parties mutually wish to earlier terminate this Agreement without identifying a Successor, they may do so in a writing signed by both parties.

13. Grantee Representations & Warranties. Grantee hereby represents and warrants that it is duly formed, validly existing, and in good standing and has all requisite power and authority to engage in the activities contemplated by this Agreement. Grantee further represents and warrants that the Project and its production do not violate any personal or private rights, copyright or trademark rights, or any other rights of any third party. In addition to the obligations set forth in Section 14 of this Agreement, Grantee agrees, to the fullest extent permitted by law, to hold Sponsor harmless from, and defend Sponsor against, any claims of such violations, including, without limitation, reasonable attorneys' fees and court costs of Sponsor, its officers, directors, employees,

successors, permitted assigns, and agents.

14. Indemnification. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Sponsor, and its officers, directors, employees, agents, successors, and permitted assigns from and against any and all claims, liabilities, losses, suits, proceedings, causes of action, damages, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "Claims") directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, or its officers, directors, employees, agents, successors, and permitted assigns in applying for or accepting grants from Sponsor, in expending or applying the funds or other assets furnished by Sponsor pursuant to such grants, in carrying out the Project, or from any material breach of this Agreement by Grantee. Grantee shall assume, at its sole cost and expense, the defense of such Claim with counsel reasonably satisfactory to Sponsor. Grantee will not be subject to any liability for any settlement made without its consent. Grantee shall not, without consent of Sponsor, effect any settlement or discharge or consent to the entry of any judgment, unless such settlement of judgment includes as an unconditional term thereof the giving by the claimant or plaintiff to Sponsor of a general release from all liability in respect of such Claim. Notwithstanding anything herein to the contrary, the indemnification provisions of this Section shall survive any termination of this Agreement for any reason.

15. Limitation of Liability. IN NO EVENT SHALL SPONSOR BE LIABLE TO GRANTEE FOR ANY DAMAGES WHATSOEVER, INCLUDING LOST REVENUE OR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES, REGARDLESS OF THE CAUSE OF ACTION, HOWEVER ARISING, AND EVEN IF GRANTEE WAS MADE AWARE OF THE LIKELIHOOD OF SUCH DAMAGES ARISING.

16. Notice. Any notice, demand, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by email in the manner provided in this Section, to the following persons:

To Grantee: [Name of Grantee]
Attn: []
[address]
Telephone: []
Email: []

To Sponsor: Independent Arts & Media
Attn: Lisa Burger
P.O. Box 420442
San Francisco, CA 94142
Telephone: (415) 738-4975
Email: admin@artsandmedia.net

A party may change its address or other contact information included above by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address or other contact information.

If sent by mail, notice shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by email, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the email account, addressed as set forth above. For purposes of calculating these time frames, weekends, and federal holidays shall be excluded.

17. Insurance Obligations. Sponsor may require Grantee, at its sole cost and expense, to procure and maintain insurance in commercially reasonable amounts and by an insurer reasonably acceptable to Sponsor against claims for injuries to persons, damages to property, or loss of any kind which may arise from the operation of the Project, or any actions taken in connection with the Project, by Grantee or Sponsor, or their officers, directors, agents, representatives, employees, or subcontractors. If such insurance is required by Sponsor, Grantee agrees that Sponsor, and its officers, directors, agents, representatives, employees, and subcontractors are to be covered as additional insureds. Grantee further agrees to provide Sponsor with copies of insurance certificates evidencing such coverage and receipts showing payment of premiums therefore, and will deliver updated certificates and receipts to Sponsor upon Sponsor's request. Sponsor shall have no liability whatsoever for any loss that may occur by reason of the absence, insufficiency, or cancellation of any insurance coverage of or for Grantee.

18. Miscellaneous. 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 of sustaining its position. 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. This Agreement, and all questions relating to its validity, interpretation, performance, and enforcement, shall be governed by and construed in accordance with the laws of the State of California, without reference to its conflict of law provisions. The parties hereto agree and consent to the exclusive jurisdiction of and venue in the courts of general jurisdiction of the State of California located in the City and County of San Francisco, California. This Agreement may not be assigned by Grantee, including by operation of law, without the prior express written consent of Sponsor. This Agreement shall be enforceable by, inure to the benefit of, and be binding upon the parties' respective successors in interest, if any, and any permitted assigns. Time is of the essence of this Agreement and of each and every provision hereof. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and no party shall make any such representation to anyone. The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties. Any waiver of any terms, covenants, and/or conditions hereof must be in writing and signed by the parties hereto. A waiver of any of the terms, covenants, and/or conditions hereof shall not be construed as a waiver of any other terms, covenants, and/or conditions hereof nor shall any waiver constitute a continuing waiver.

19. Entire Agreement; Counterparts. This Agreement constitutes the only agreement, and supersedes all prior and contemporaneous agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated herein by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to this

Agreement; provided, however, that the Policy Manual of Sponsor attached hereto as Exhibit A may be amended by Sponsor from time to time in its sole discretion with written notice to Grantee and provided further that Sponsor may modify its operations and/or activities as described in this Agreement from time to time in its sole reasonable discretion and make such changes as are appropriate to ensure that the Restricted Fund is not classified as a donor-advised fund as set forth in Section 9. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

20. Authority. Each undersigned represents and warrants by their signature that each has the power, authority, and right to bind their respective party to each of the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Grant Agreement – Model C effective as of the Effective Date.

INDEPENDENT ARTS & MEDIA

By: _____ Dated: _____
Lisa Burger, Executive Director

[GRANTEE]

By: _____ Dated: _____
[NAME]

EXHIBIT A

**MODEL C POLICY MANUAL OF
INDEPENDENT ARTS & MEDIA**

See attached.