



**SPONSORSHIP AGREEMENT**

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_ (year) between Oklahoma Visual Arts Coalition, Inc., a nonprofit 501(c)3 corporation, (“Fiscal Sponsor”) and \_\_\_\_\_ (the “Project Organizer”).

**WITNESSETH:**

**WHEREAS**, Fiscal Sponsor is a tax-exempt organization, as described in sections 170(c), 501(c)(3), 2055(a) and 2522(a) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”) and is formed for the purpose of supporting Oklahoma’s visual arts and artists and their power to enrich communities; and

**WHEREAS**, the Project Organizer is coordinating \_\_\_\_\_ (the “Project”) as described in Exhibit A;

**WHEREAS**, the Project Organizer desires to take advantage of the Program and to solicit funds to use in producing the Project; and

**WHEREAS**, Fiscal Sponsor is willing to receive and administer funds awarded by donors to Fiscal Sponsor for the Project; and

**WHEREAS**, Fiscal Sponsor and the Project Organizer desire to set forth in this Agreement each of their respective duties and responsibilities to each other with respect to the funds received from donors and the administration, management and implementation of the Project.

**NOW, THEREFORE**, in consideration of the mutual promises, conditions and covenants contained herein, the parties agree as follows:

**I. Sponsorship**

1.1 Fiscal Sponsor hereby agrees to sponsor the Project, and the Project Organizer hereby agrees to implement and operate the Project in accordance with the terms hereof.

1.2 The Project Organizer is a separate legal entity from Fiscal Sponsor. This Agreement shall not be deemed to create any relationship of agency, partnership or joint venture between the Project Organizer and Fiscal Sponsor or the Project and Fiscal Sponsor, and neither the Project Organizer nor the Project shall make such a representation to any individual or entity. This Agreement does not constitute a contract of employment between Fiscal Sponsor and any individual or entity.

1.3 The Project Organizer shall not carry on activities or use funds from the Program in any way that jeopardizes the tax-exempt status of Fiscal Sponsor.

1.4 Fiscal Sponsor shall not impose any artistic judgments on the Project or in any way

attempt to determine the content of the Project.

- 1.5 All right, title and interest in and to intellectual property interests in the Project shall belong to the Project Organizer. The Project Organizer hereby represents to Fiscal Sponsor that the Project Organizer is the owner of such right, title and interest.
- 1.6 The Project Organizer shall not enter into any agreement with any individual, corporation, partnership or other entity in which ownership or creative control of the Project is transferred from the Project Organizer to another individual or entity without the prior written consent of Fiscal Sponsor. Fiscal Sponsor agrees to not unreasonably withhold its consent for such transfer.
- 1.7 The Project Organizer shall not permit the Project to attempt to influence legislation or participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or otherwise engage in the carrying on of propaganda (within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended) without the prior written consent of Fiscal Sponsor.

## **II. Fundraising**

- 2.1 The Project Organizer shall solicit grants and contributions in accordance with the terms of the Program.
- 2.2 The Project Organizer shall provide Fiscal Sponsor with any proposed solicitation materials for preapproval that disclose (i) Fiscal Sponsor's role and services in the transaction, (ii) proposed budgeted and back end fees (if any) to Project Organizer and any other "investors" (whether equity or grant-making/donor contributors) to the Project, to ensure that Project Organizer's undertakings are not inconsistent with Fiscal Agent's involvement. Project Organizer shall not then alter the terms of any financing solicitation for the Project absent Fiscal Sponsor's prior approval.
- 2.3 Fiscal Sponsor agrees to accept grants and contributions to the Project provided the donor submits a properly completed Fiscal Sponsor contribution form if required by Fiscal Sponsor. Fiscal Sponsor agrees to acknowledge such contributions to the Project in writing to such donor.
- 2.4 Fiscal Sponsor agrees to make the grants and contributions received from donors available to the Project Organizer for use in producing the Project.

## **III. Financial Services**

- 3.1 Fiscal Sponsor shall deposit the grants and contributions to the Project into an account maintained by Fiscal Sponsor. All interest earned on such account shall be the property of Fiscal Sponsor and shall be applied toward the tax-exempt purposes of Fiscal Sponsor.
- 3.2 Fiscal Sponsor shall establish and maintain a ledger sheet (which may be in electronic form) in the name of the Project (the "Ledger Sheet") on the books of Fiscal Sponsor and shall credit such Ledger Sheet for the amount of the grants and contributions received on account of the Project, minus the administration fees assessed pursuant to Section VII herein.

- 3.3 The net amount credited to the Ledger Sheet shall be promptly disbursed to the Project Organizer to be used to produce and to implement the Project in accordance with the terms and conditions herein. The Project Organizer agrees that such funds so disbursed shall be used and applied only for the production and implementation of the Project, and further agrees such funds will be devoted exclusively to third party expenditures relating to the production, and not for fee to Project Organizer or its principals except as expressly authorized by Fiscal Sponsor
- 3.4 To request the disbursement of funds to the Project, the Project Organizer shall submit a written request to Fiscal Sponsor for an amount not to exceed the balance reflected on the Ledger Sheet at the time of such request.
- 3.5 Fiscal Sponsor shall promptly disburse funds in accordance with the Project Organizer's written request set forth in Section 3.4 and shall debit the Ledger Sheet accordingly, net of Fiscal Sponsor's fees and expenses, as provided for hereunder.
- 3.6 The Project shall not maintain a negative balance on the Ledger Sheet at any time. Fiscal Sponsor reserves the right to suspend financial activity or to stop payment of outstanding checks if the balance reflected on the Ledger Sheet is insufficient.
- 3.7 Fiscal Sponsor shall maintain all financial records relating to the Ledger Sheet according to generally accepted accounting principles, shall retain records as long as required by law and shall make records available to auditors as required by law.
- 3.8 Fiscal Sponsor shall reflect the activities of the Project to the extent required on its Federal and State tax returns and its periodic financial reports.
- 3.9 All disbursements to the Project Organizer shall be treated as payments made to or on behalf of the Project Organizer to accomplish the purposes of the Project. Fiscal Sponsor shall be permitted to monitor the ongoing progress of the Project (including without limitation books, records and planning meetings) to verify, among other things, that the Project is advancing the charitable and educational purposes of Fiscal Sponsor.
- 3.10 All employees of the Project shall be considered employees of the Project Organizer. The Project Organizer shall be responsible for the proper tax reporting of all amounts paid to individuals or entities for providing services to the Project.
- 3.11 Except to the extent specifically set forth in this Agreement or required by law, Fiscal Sponsor shall have no responsibility or obligation to prepare or to file any tax returns or reports with any governmental agency with respect to the activities of the Project or the Project Organizer. The Project Organizer shall be responsible for reflecting the activities of the Project on its Federal, State and local tax returns.

#### **IV. Other Services**

- 4.1 Fiscal Sponsor shall not provide tax or legal advice to the Project.

#### **V. Reports**

5.1 The Project Organizer shall furnish to Fiscal Sponsor periodic reports describing the status of the Project and the expenditure of grant funds by the Project. Fiscal Sponsor shall inform the Project Organizer in writing if, due to any change in Federal or State laws (or in regulations, cases or rulings interpreting such laws), Fiscal Sponsor determines that it is required to obtain more detailed reports or to request that other steps be taken by the Project Organizer in order for Fiscal Sponsor to comply with its obligation concerning adequate procedures and record-keeping pertaining to the expenditure of the grant funds.

5.2 Such periodic reports shall be made annually or more frequently as Fiscal Sponsor may reasonably require. If Fiscal Sponsor determines that such reports shall be made more frequently than annually, Fiscal Sponsor shall notify the Project Organizer in writing of such requirement.

## **VI. Publicity**

6.1 The Project shall contain recognition of the financial support of Fiscal Sponsor as is customary and at the highest level of sponsorship offered to third parties supporting the Project, including the usage of the OVAC logo. In written publications and/or internet materials for the Project, recognition substantially in the following form shall be made:

“[PROJECT] is a sponsored project of the Oklahoma Visual Arts Coalition.”

## **VII. Fees and Charges**

7.1 Fiscal Sponsor shall charge an administrative fee for operating the Program as grants or contributions are received on account of the Project shall be Four percent (4%) of such grants or contributions.

7.1(a) Fiscal Sponsor may accept credit card donations via its websites and will retain the credit card process fee, whatever it may be, from the donation to cover the process cost.

7.2 Fiscal Sponsor shall charge the Project for any direct, verifiable out-of-pocket expenses incurred in good faith on behalf of the Project, including but not limited to bank charges and postage fees. In no event shall such expenses incurred exceed \$500.00 per year in the aggregate without the prior written consent of Project Organizer.

## **VIII. Representations and Warranties**

8.1 Fiscal Sponsor hereto represents, warrants and agrees that, as of the date hereof, (a) such organization's execution of this Agreement and performance hereunder are within its corporate powers and have been duly authorized by all necessary corporate actions, and (b) no filings are required to be made by such organization with, and no consents or approvals are required to be obtained by such organization from, any court, governmental agency or other person or entity in order to enter into or perform under this Agreement. Fiscal Sponsor agrees to deliver satisfactory certifications or assurances by its legal counsel confirming the validity of such representations and warranties if requested by the Project Organizer.

8.2 Project Organizer hereto represents, warrants and agrees that, as of the date hereof and hereafter: (a) such organization's execution of this Agreement and performance hereunder are within its corporate powers and have been duly authorized by all necessary corporate actions; (b) no filings are required to be made by such organization with, and no consents or approvals are required to be obtained by such organization from, any court, governmental agency or other person or entity in order to enter into or perform under this Agreement; (c) Project Organizer is not, and will not hereafter become, a party to any agreement which is inconsistent with Project Organizer's obligations hereunder; and (d) to the best of Project Organizer's knowledge, the Project and its production and distribution will not violate or interfere with anyone's rights of any kind or nature. Project Organizer agrees to deliver satisfactory certifications or assurances by its legal counsel confirming the validity of such representations and warranties if requested by Fiscal Sponsor.

8.3 Each of Fiscal Sponsor and Project Organizer (an "Indemnitor") will indemnify and hold the other (an "Indemnitee") (including in "Indemnitee" the Indemnitee's officers, directors, managers, and other employees and/or agents) harmless from any cost or expense (including without limitation professional fees and expenses) incurred by an Indemnitee arising from any breach by an Indemnitor of Indemnitor's representations and warranties hereunder. Project Organizer shall name Fiscal Sponsor an additional insured on Project Organizer's Errors & Omissions policy for the Picture.

## **IX. Miscellaneous**

9.1 Arbitration. No action, suit or other proceeding shall be maintained in any court, whether at law or in equity, by reason of any dispute or controversy relating in any manner to the matters covered by this Agreement. Any dispute or controversy with respect to the rights and obligations of the parties hereto, or any matter or thing of whatsoever nature arising out of or under or relating to this Agreement, shall be settled by arbitration in Oklahoma, at which the determination of the arbitrator shall be made under the rules of the American Arbitration Association. The determination of such arbitrator shall be final, conclusive and binding upon the parties hereto. In connection with any proceeding to enter judgment on the award of such arbitrator, the parties hereto consent to personal jurisdiction, service of process and venue in any Federal or State court within Oklahoma County in the State of Oklahoma. In connection with any action brought to enforce such award, each of the parties hereto agrees that service of process may be made upon such party at the address set forth in (or specified in accordance with) subsection 9.4 of this Agreement by registered or certified mail, return receipt requested. The arbitrator shall have no power to modify or vary any provisions of this Agreement. The arbitrator shall have the power to award the costs of arbitration, including reasonable attorney's fees, to the prevailing party.

9.2 Waiver. Any waiver by any party of any provision of this Agreement or of any right or rights hereunder (a) shall be binding only if it is in writing and executed by the waiving party, (b) shall not be deemed to be a continuing waiver and (c) shall not prevent or estop any party from thereafter enforcing such rights or provisions as to the future. The failure of any party to insist in any one or more instances upon the strict performance of one or more of the terms and provisions of this Agreement by any other party shall not be construed as a waiver or relinquishment for the future of any such terms or provisions, but the same shall continue in full force and effect.

9.3 Modification. This Agreement contains all of the representations and agreements

among the parties hereto. This Agreement may not be modified, changed, altered or terminated other than by an instrument in writing duly executed and acknowledged by the parties hereto.

9.4 Notice. Notice hereunder to any party shall be sent by hand delivery, subject to receipt, or by registered or certified mail, postage prepaid, or by email, to the following addresses (or to such other address as may be specified by the respective party from time to time):

If to Fiscal Sponsor, to the following:  
Oklahoma Visual Arts Coalition  
1720 N Shartel Ste, Ste B  
Oklahoma City, OK 73103  
director@ovac-ok.org

If to the Project Organizer, to the following:

\_\_\_\_\_ (First and Last Name)

\_\_\_\_\_ (Street Address)

\_\_\_\_\_ (City, State, Zip)

\_\_\_\_\_ (email)

Any notice shall be considered as given on the date on which it is delivered or mailed by registered or certified mail, postage prepaid, or on the next business day if sent by email.

9.5 Implementation. Each of the parties agrees that it will execute any and all instruments and perform any and all acts that may be deemed necessary or advisable to carry out any of the terms hereof.

9.6 Severability. If any provision of this Agreement is held invalid, such invalidity shall not affect the other provisions of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions of this Agreement are intended to be and shall be deemed severable.

9.7 Applicable Law. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Oklahoma, without regard to conflicts of law principles.

9.8 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and assigns.

9.9 Effective Date and Renewal Terms. This Agreement shall become effective on the date it is signed by all of the parties hereto. The term of this Agreement will continue for one year.

9.10 Termination. Each party will have the right to terminate this Agreement immediately

in the event of voluntary or involuntary bankruptcy or similar insolvency actions or in the event of the suspension or termination of any license, permit or approval required for the completion of duties herein assigned. Furthermore, either party may terminate this agreement (i) upon written notice for cause if not subject to cure, or if not cured within ten (10) business days of written demand therefore, or (ii) upon thirty days advanced written notice for any other reason. If the Project Organizer terminates this agreement before the completion of the project, Fiscal Sponsor will make every effort to return any collected donations to the appropriate donor. If Fiscal Sponsor is unable to return the funds to the appropriate donor, Fiscal Sponsor will retain the funds.

9.11 No Injunctive Relief. In the event of a breach of this Agreement, Fiscal Sponsor's remedies shall be limited solely to an action at law for monetary damages actually suffered, if any. In no event shall Fiscal Sponsor be entitled to (a) seek to or obtain injunctive or other equitable relief in connection herewith or with the Project (or any rights therein, thereto, or in connection therewith) or any rights granted or agreed to be granted herein, or (b) restrain or otherwise interfere with the development, production, exhibition, promotion, distribution, advertising, and/or other exploitation of the Project, any rights therein, thereto, and/or in connection therewith, or any rights granted or agreed to be granted herein.

IN WITNESS WHEREOF, the parties hereto have executed his Agreement on the day and year first written above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name Printed: \_\_\_\_\_ Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name Printed: \_\_\_\_\_ Title: \_\_\_\_\_