



Shasta County Arts Council

LETTER OF AGREEMENT ESTABLISHING FISCAL SPONSOR PROJECT STATUS

This is a letter of agreement between the Shasta County Arts Council (hereafter referred to as SCAC) and: _____ (hereafter referred to as PROJECT)

- The Shasta County Arts Council (SCAC) Fiscal Sponsorship PROJECT was established to help incubate start-up arts organizations seeking their goal of acquiring independent, not-for-profit status in the State of California. Under the SCAC Fiscal Sponsorship PROJECT, arts groups can realize their potential and contribute to the vitality of Shasta County and Northern California.
- Said Fiscal Sponsorship PROJECT shall be for a term of no more than three (3) years.

The following criteria must be met prior to receiving Fiscal Sponsorship PROJECT Status:

- The person or organization who has requested this relationship has written a PROJECT **proposal** to SCAC, describing a specific PROJECT to be conducted (see attached form).
- SCAC has evaluated the proposal to determine whether the PROJECT is charitable and carries out SCAC's tax-exempt purposes.
- SCAC's Board of Directors approves the Fiscal Sponsorship PROJECT (current 2011 PROJECTS are approved pending required paperwork and fee arrangements).

PROJECT shall:

- a. Provide an annual fee of \$350 per year upon the signing of this contract (a payment schedule of \$116.66 over three months can be arranged). This fee includes a \$40 SCAC Organization Membership and a \$50 fee to report a PROJECT'S grant and donation income (whether any was received or not) on SCAC's annual 990 Tax Return. It is the PROJECT'S responsibility to file its earned income with the IRS.
- b. Be reviewed by the board on an annual basis to determine PROJECT eligibility. Each year, the cost to remain a PROJECT will increase by \$200 annually, i.e., \$350 in Year 1; \$550 in Year 2; and \$750 in Year 3.
- c. Have its own bank account in the name of the PROJECT.



Shasta County Arts Council

- d. Present quarterly financial reports to SCAC that include information on programming (names, types of performances and/or events, audience numbers, average ticket cost) marketing & publicity efforts. NOTE: This data is important to obtain potential grants. Learning to quantify this information becomes important to a PROJECT wishing to obtain its own 501c3 status.
- e. Assure all donations are made payable to SCAC. Donation and grant monies solicited under non-profit status must be made out to SCAC according to IRS standards.
- f. Provide 15% of ALL donated or grant monies to SCAC to cover administrative fees and help offset insurance and other costs.
- g. Adhere to the following wording in all promotional material “**Shasta County Arts Council Presents ...**” as is required to obtain Certificates of Insurance per each PROJECT event or activity. Additionally, the PROJECT shall include **SCAC’s logo** in all advertising, programs, posters, tickets and stationary of the PROJECT. **(It is desirable that all promotional material be submitted to SCAC for approval prior to publication.)**
- h. Adhere to all rules governing the performance rights of copyrighted materials. Evidence of such adherence shall be made available upon request. Failure to meet these standards could lead to immediate dissolution of SCAC’s PROJECT’s status.
- i. Provide a minimum of 30 days notice to assure special events, activities, etc., will be included in our email updates, newsletter, website information, etc.
- j. Pay any additional special costs for insurance coverage, i.e., costume insurance or other special insurance needs.
- k. Identify, research, help to write and collaborate with SCAC on one grant application annually for the PROJECT.
- l. Comply with the this document. If the PROJECT is not in compliance or otherwise breaches its contract, SCAC will provide the PROJECT with a 30-day written notice to make corrections and come into compliance. During the 30 days, SCAC will hold monies received on behalf of the PROJECT. If at the end of the 30 days the PROJECT is not in compliance, SCAC will serve the entity with a 90-day termination notice. This will give the PROJECT an opportunity to become a for-profit venture, cease to exist or find another fiscal sponsor. If another fiscal sponsor is found with proper 501c3 nonprofit status, SCAC may transition donations or grant money to the new fiscal receiver. Otherwise, SCAC would retain solicited donations.

SCAC’s umbrella nonprofit status will provide:

1. *The PROJECT with the ability to fund-raise for its programming, be eligible for grant submission through SCAC and plug into a statewide network of arts and cultural groups.*
2. *No-cost \$1 million liability insurance for PROJECT events and activities (satisfying Cascade Theatre and the City of Redding requirements). Certificates can be obtained through SCAC to meet liability insurance requirements for events and activities with a minimum of 15 days notice. The venue name, address, additional insured requirements,*



Shasta County Arts Council

date(s), activity type, number of people expected, and whether alcohol will be served is required information to receive this coverage. Insurance does NOT cover the following : PROJECT Board Members (if applicable); PROJECT office space or regularly used space occupied by the PROJECT. NOTE: Insurance coverage is for *special* events, activities, workshops, classes, presentations, and performances - NOT *regular* day-to-day activities of the PROJECT.

3. *Liability insurance coverage for use of Old City Hall Arts Center (OCH).*
4. *Waiver of daily use fees for any FREE presentations, performances, classes, workshops and events held at OCH Arts Center. Dates for performances must be obtained a minimum of 30 days prior to the activity to receive a no-cost status. (All fees pertaining to use of theater lighting, technicians, filming, recording, etc. shall be incurred by the PROJECT.*
5. A low-cost historic venue (OCH) for PAID performances, classes, workshops and events. These will incur a 15% fee payable to SCAC at the end of the activity. An *Event Evaluation Form* must accompany the payment. Concessions belong to SCAC.
6. Non-profit status and rates (through SCAC) for the purpose of facility rental for events held at facilities other than OCH (**PROJECT is responsible for payment of rental fees at reduced non-profit rates.**)
7. Promotion of PROJECT events in SCAC e-newsletters and on our website (if submitted in a timely manner to the SCAC staff by the PROJECT.
8. Assistance with identified grant opportunities and application process. A PROJECT is unable to apply for grants on its own until it begins the process of establishing its own 501c3 and receives notification from the federal government that it can operate as its own nonprofit. This process requires the establishment of bylaws, a governing board of directors, filings with the State of California and with the Federal Government. Proof of this process is required to receive nonprofit treatment.
9. Guidance on establishing one's own 501c3 nonprofit. While SCAC does not have the personnel to actually help a PROJECT implement the process, it can provide guidance along the way and point the PROJECT to valuable resources.

In addition to the above requirements, the PROJECT shall provide:



Shasta County Arts Council

1. One individual to act as its representative with SCAC. Said Representative shall be responsible for providing quarterly financial accountings and Activity updates to the SCAC Board of Directors.

Said representative shall be:

Name: _____

Address: _____ **Zip:** _____

Phone: _____ **Other:** _____

3. The PROJECT shall submit **a statement of income and expense** required by the State Board of Equalization of the State of California and the Internal Revenue Service to be filed by non-profit organizations. The statement will inform SCAC's annual 990 tax return, prepared by the accountant of SCAC, with the return to be filed on a **July 1 through June 30 fiscal year** basis.
4. The PROJECT shall assume responsibility for all personnel actions of the group, for the selection of vehicles for all events presented by the group, venues for presentations, and preparation of the budget and other administrative actions of the group.
5. Any documents requiring the use of SCAC's non-profit federal tax number (FEIN) 94-2791667 or California's non-profit tax number C-1089126 must be on file with SCAC. There are no exceptions to this requirement. The documents must be signed by a designated SCAC employee or Board Member and cannot be signed by a PROJECT representative.

PROJECT status shall be subject to annual review and contract renewal commencing from the date of signing of this contract.. Review shall be for the purpose of assuring both the PROJECT and SCAC are in compliance with current State and Federal non-profit regulations.

This agreement may be canceled at any time with thirty (30) days written notice by the PROJECT or SCAC.

PROJECT: _____ **Date:** _____

SCAC: _____ **Date:** _____