



## CREATIVE FUNDING GRANT AGREEMENT

On \_\_\_\_\_, The Board of Directors of The Grove Center for the Arts & Media (Grantor) decided that financial support of the project described in the cover letter accompanying this Agreement will further The Grove Center for the Arts & Media's tax-exempt purposes. The Grantor is willing 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 the associated fiscal sponsorship (the "Project"). Therefore, The Grove Center for the Arts & Media has created a restricted fund designated for such project, and has decided to grant all amounts that it may deposit to that fund, less any administrative charge as set forth below, to \_\_\_\_\_ (Grantee), subject to the following terms and conditions:

1. Grantee shall provide Grantor with its governing documents, a completed and filed IRS Form SS-4 or other documentation satisfactory to Grantor, showing Grantee's separate existence as a legal organization to be accurate and complete. If Grantee is an individual, Grantee personally assumes 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 project described in the accompanying cover letter, and Grantee shall repay to Grantor any portion of the amount granted which is not used for that project.
  - a. Any changes in the purposes for which grant funds are spent must be approved by Grantor (in writing or by email) before implementation.
  - b. Grantor retains the right, if Grantee breaches this Agreement, or if Grantee's conduct of the project jeopardizes Grantor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds, and to spend such funds so as to accomplish the purposes of the project as nearly as possible within Grantor's sole judgment.
  - c. Any tangible or intangible property, including copyrights, obtained or created by Grantee as part of this project shall remain the property of Grantee.
3. Grantee may solicit gifts, contributions and grants to Grantor, earmarked for Grantor's restricted fund for this project. Grantee's choice of funding sources to be approached and the text of Grantee's fundraising materials are subject to Grantor's prior written approval (in writing or by email). All grant agreements, pledges, or other commitments with funding sources to support this project via Grantor's restricted fund shall be executed by Grantor. The cost of any reports, fees or other compliance measures required by such funding sources shall be borne by Grantee.
4. Nothing in this Agreement shall constitute the naming of Grantee as an agent or legal

representative of Grantor for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture 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 and placed in the restricted fund, until such funds are granted or spent in accordance with this Agreement. With respect to the selection of Grantee or any other grantee to carry out the purposes of the Project, Grantor retains full discretion and control over the selection process, completely independent of any funder or revenue source. Consistent with Statement No. 136 issued by the Financial Accounting Standards Board, Grantor retains the unilateral power, without approval from any funding source, from Grantee, or from any other interested party, to redirect use of funds received for purposes of the Project away from Grantee to another beneficiary capable of fulfilling the purposes of the Project.

6. Because the restricted fund is 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 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. 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.

8. An administrative charge of ten percent (10%) of all amounts paid to Grantee from the restricted fund shall be deducted by Grantor to defray Grantor's costs of administering the restricted fund and this grant. Additional fees may apply if Grantee chooses to use the Indiegogo platform for fundraising: Five percent (5%) for an Indiegogo campaign. Total costs by Grantor and Indiegogo for a campaign will be fifteen percent (10% + 5% = 15%). Grantor may additionally, at its sole discretion, deduct from the restricted fund any special or unusual costs it incurs in administering the restricted fund (such as bank penalty fees resulting from a Donor's bounced check).

9. Grantee shall spend all funds received from Grantor in furtherance of the Project within ninety (90) days of receipt. Grantee shall return any funds not so spent to Grantor, who shall allocate them to the restricted fund designated for purposes of the Project.

10. Grantee shall submit a full and complete report to Grantor as of the end of Grantee's annual accounting period within which any portion of this grant is received or spent. The initial report shall be submitted by Grantee no later than annually beginning December 31 of each calendar year, and subsequent reports, if any, shall be due on the anniversary date of the initial report. The report shall describe the charitable programs conducted by the Grantee with the aid of this grant and the expenditures made with grant funds, and shall report on the Grantee's compliance with the terms of this grant. Upon completion of the Project, Grantee will provide a final report and complete accounting of funds within 60 days. If Project exceeds six months, Grantor may ask for updates.

11. This grant is not 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. Or, if the Grantor has evaluated the IRS limits imposed on Grantor's lobbying expenditures and has determined that part or all of the grant may be used for lobbying.

12. 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).

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

14. Upon signing this agreement, Grantee has ninety (90) days to initiate a fundraising campaign for the stated intention of their approved proposal. If the Grantee does not initiate a campaign within ninety (90) days, their fiscal sponsorship status will be placed in a thirty (30) day probationary status. If Grantee does not initiate their fundraising campaign within this thirty (30) day probationary window, Grantee's fiscal sponsorship will be revoked and will not be eligible to reapply. If Grantee is unable to begin their campaign within this one-hundred-twenty (120) day window, but wishes to keep their fiscal sponsorship active, they will have the option of keeping the fiscal sponsorship active with an administrative fee of \$75.00 per month.

15. Grantee shall notify Grantor in their proposal and prior to signing the Agreement if some portion of the proposed project is commercial in nature. If some portion of the proposed project is commercial in nature, Grantee agrees that Grantor bears no responsibility to other financial agreements, investment decisions or monies exchanged by outside parties. Grantee agrees to hold Grantor harmless from any legal action taken against Grantee by Grantee's investors. If the project bears any commercial success, Grantee agrees to indicate how that portion of the proceeds will be used for charitable purposes and the public's benefit. If the total monies raised from the commercial success of the proposed project exceeds the actual grant amount, Grantee agrees to donate a portion of the proceeds to the Creative Funding program for the benefit of future artists.

16. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Grantor, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Grantee, its employees or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of Grantor, its officers, directors, trustees, employees or agents.

17. 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 to the other party, or (b) without cause fifteen (15) 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.

18. In the event this Agreement is terminated and the balance of the restricted fund designated for the purposes of the Project is greater than zero, Grantor may, within its sole discretion, distribute some or all remaining amounts to Grantee within fifteen (15) business days of receiving a final grant request for any legitimate, Project-related anticipated or un-reimbursed expenses (the "Final Request"). Grantee shall submit the Final Request no later than thirty (30) calendar days after this Agreement is terminated. Grantor shall process the Final Request in accordance with the standard policies and procedures for fund disbursements as described in this Agreement and the Program Manual (defined below) as in effect at the time a notice of termination is sent by either party. Grantor, in its sole discretion and control, may also dispose of the Project assets, including funds held in the restricted fund, in any manner consistent with applicable tax and charitable trust laws, which may include granting any balance 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), re-allocating any balance to another fund for substantially similar purposes, or using any balance to defray Grantor's costs of administering its fiscal sponsorship program. Notwithstanding any provision of this Agreement to the contrary, this Paragraph 17 shall survive the termination of this Agreement for so long as Grantor is processing the Final Request.

19. Should Grantor or Grantee be unable to reach agreement regarding the termination of this Agreement, both parties agree to mediation as an alternative to litigation in the event of a dispute arising under the Agreement.

20. Grantor, at any time and at its sole discretion, 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 approved application, this contract, Grantor's exempt purposes, and all applicable laws. Failure on the part of Grantee to provide full cooperation and adequate documentation in the event of an audit shall be considered a breach of this Agreement.

21. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed entirely within such State.

22. 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 both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Grant Agreement effective on the \_\_\_ day of \_\_\_\_\_.

By: \_\_\_\_\_, Grantor      Date: \_\_\_\_\_

Joey O'Connor, Executive Director, The Grove Center for the Arts & Media,

By: \_\_\_\_\_, Grantee      Date: \_\_\_\_\_