

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is between The Ink People/Ink People, Inc/Ink People Center for the Arts (hereafter referred to as The Ink People) and _____ (hereafter known as DreamMaker Project).

Establishment of the Sponsorship:

On _____ (date), the Board of Directors of the Ink People, a California non-profit corporation, resolved that sponsorship support of _____ (name of DreamMaker Project) will enhance the organizational mission and tax-exempt purposes of The Ink People. Therefore, a fiscal sponsorship is established by this document. The Ink People will maintain the sponsorship account for the DreamMaker Project until such time that it leaves The Ink People.

DreamMaker Project's Mission:

Relationship to The Ink People:

The Ink People will act as the fiscal sponsor and the DreamMaker Project will act as the fiscal receiver. Fiscal sponsorship refers to the practice of non-profit organizations offering their legal and tax-exempt status to groups—typically projects—engaged in activities related to the sponsoring organization's mission. Because The Ink People is an arts and culture nonprofit, the DreamMaker Project's activities must also further this mission. Upon Board of Directors approval and signing of this MOU, the DreamMaker Project becomes a full-fledged project of the Ink People. The DreamMaker Project receives technical assistance, support, and benefits from the Ink People's reputation. This association comes with rights and responsibilities. As fiscal sponsor, The Ink People manages all aspects of finance, administration, governance, compliance and risk management, allowing the DreamMaker Project team to focus their talents on advancement of activities that further their vision.

DreamMaker Project Rights and Benefits—The Ink People will assist the DreamMaker Project by providing complete bookkeeping services, administrative assistance, help with challenges encountered in planning, implementation and growth, and by sharing any appropriate lessons learned in The Ink People history since its founding in 1979.

DreamMaker Project Responsibilities—In order to derive maximum benefit from the association with The Ink People, there are certain project responsibilities, which will help expose the DreamMaker to nonprofit guiding principles and requirements, while offering opportunities for professional growth. They also make it possible for The Ink People to provide the best possible service.

The Ink People and DreamMaker Project understand that in order for this relationship to be as successful as possible, there must be clear and regular communication.

Ink People Services:

The Ink People offers a range of administrative and technical services to DreamMakers, including:

- Complete financial record keeping
- Disbursement and deposit of funds
- Financial reports upon request
- Interim and final financial and narrative reports to funders
- Liability insurance coverage (fees may apply) may be provided within the limits of The Ink People's Insurance carrier
- Reputation for accountability and successful project management since 1979
- Free use of meeting rooms, if not in conflict with rentals or scheduled classes
- Centralized mail and phone message facility
- Use of computers (by appointment)
- Free inclusion on Ink People program description webpage and promotional materials
- Support with organizing and developing funding
- Training in and assistance with grant writing
- Assistance with problem solving
- Assistance with planning, implementation and evaluation
- Use of the "DreamMaker Lounge" in the main administrative building
- Professional development classes and workshops

The Ink People strives to offer these services in a timely manner. **For best access to services, the DreamMaker Project should book an appointment with appropriate Ink People staff.** Due to limitations in staffing, some services may take 3-5 business days, if an appointment is not made in advance.

DreamMaker Project Responsibilities:

As a fiscally sponsored project of The Ink People, DreamMaker Projects are responsible for maintaining their relationship with The Ink People. This also makes it possible for The Ink People to provide the best possible service. These responsibilities include:

- Maintain regular contact with the DreamMaker Project staff. Phone: 707.442.8413 or email inkers@inkpeople.org
- Ensure that all DreamMaker Project staff and/or volunteers in leadership roles are trained to follow The Ink People's processes and procedures
- Key members of the DreamMaker Project's core committee must join The Ink People as members
- All monies must be deposited with The Ink People and checks must be made payable to "Ink People," not the DreamMaker Project's name. The DreamMaker Project's name should go on the MEMO line.
- Paying a 15% administrative fee applicable to all income, except taxes collected
- Coordination of all crowdfunding campaigns or online donations with The Ink People's staff
- Coordination of fundraising appeals with DreamMaker Program staff
- The DreamMaker Project will make an annual report to the Board of Directors through the Ink People staff

- Request The Ink People Board of Directors' permission through program staff to apply for grant funding before applying
- Resolve any excess expenditure, unallowable cost, personnel, or other risk management issue of the DreamMaker Project in a timely manner
- Include the phrase "a DreamMaker project of The Ink People" in all promotional materials

These responsibilities are further defined below.

Establishment of Account and Variance:

Upon execution of this agreement, the Ink People will establish a distinct class as an accounting profile (account) for the DreamMaker Project. The account created to support this DreamMaker Project is an account within The Ink People's overall accounting management, and its assets are considered assets of The Ink People. The account is subject to the Ink People's governing instruments including the Ink People's power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. The Ink People Board of Directors have the ultimate decision making authority over the Dreammaker Project Funds, and we agree to track the funds separately. The Ink People Board of Directors have the power to modify the use of those funds and use them for some other purpose if a Dreammaker Project becomes unresponsive, changes its programming to be different than The Ink People's mission, and/or fails to uphold the requirements of this MOU and is unwilling to take corrective action.

Administrative Fees:

An administrative charge of **15%** on all amounts deposited to the DreamMaker account shall be transferred to the Ink People's general fund to defray the Ink People's costs of administering the DreamMaker's programming. Any interest earned from these funds shall be retained in the Ink People's general fund. The Ink People may also assess the DreamMaker's fund to cover any unusual expenses incurred in connection with the DreamMaker's activities or administration of the DreamMaker's fund. Sales tax and merchandise shipping will not be included in the administrative fees. Administrative fees are charged on all income received by the DreamMaker Project, including but not limited to donations, grants, sales, ticketing, crowdfunding, and capital campaigns.

Funds/Property of the DreamMaker Project:

The DreamMaker's account shall include any monies, assets, equipment, or property transferred or contributed, from any source, to the Ink People and designated for the DreamMaker Project. The account shall be held and administered by the Ink People in accordance with its Articles of Incorporation and Bylaws, as periodically amended, and shall not be deemed a trust fund held in a trustee capacity. The Ink People shall apply the highest fiduciary standard to the administration of the monies to ensure that the DreamMaker's purposes are achieved.

Receipt of Funds:

The Ink People agrees to receive grants, contributions, donations, and gifts to be used for the DreamMaker Project, and to make those funds available to the DreamMaker Project.

All monies must be deposited with The Ink People and checks must be made payable to "Ink People," not the DreamMaker Project's name. The DreamMaker Project's name should go on the MEMO line.

Acknowledgement of Charitable Donations on Behalf of the Project:

The Ink People agrees that all grants, charitable contributions, and gifts which it receives for the DreamMaker Project will be reported as contributions to the Ink People as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution, or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)3 to the donor upon request.

Financial Procedures and Accounting:

The DreamMaker Project must act within the financial policies outlined within this document and within the DreamMaker Guidebook. The Ink People will maintain books and financial records for the DreamMaker Project in accordance with generally accepted accounting principles. The DreamMaker Project's revenue and expenses shall be separately classed in the books of the Ink People. The Ink People will provide the DreamMaker Project with reports of their financial activity upon request.

Solicitation of Funds:

The DreamMaker Project may solicit gifts, donations, and contributions earmarked for the DreamMaker Project's restricted accounting profile (termed a "class" in The Ink People's accounting system). Fundraising appeals will be coordinated with Ink People staff. Due to the administrative processes required, **all crowdfunding campaigns or online donations must be coordinated with Ink People staff** or there will be an administrative fee of 25% for those funds raised.

Grants:

The DreamMaker Project may solicit grants from funders. The DreamMaker must request board permission through the Ink People's Executive Director and Administrative Director prior to applying for any grants. Grants are considered contractual agreements and must be authorized by The Ink People. It may take up to 5 business days for permission to apply for grants to be approved. The signatory for all grants received is the Executive Director of The Ink People or an appointed designee.

Expenditure of Funds:

It is the responsibility of individual DreamMaker Projects to raise funds, prepare annual budgets, and design and carry out their programs. The leadership on record of the DreamMaker Project will determine how the DreamMaker's funds will be used, while The Ink People maintains internal control and compliance systems to ensure that adequate funds are available and are allocated properly. Expenditures must comply with the terms of grants and contracts, as stipulated by the foundation or awarding agency. Expenditures must also comply with laws,

regulations, and accounting standards governing the use of nonprofit funds. Expenditures and check requests must be submitted in writing, using the Ink People's check request form. Receipts or statements of transactions must be provided for reimbursement of funds.

Legal Representative:

This agreement does create a legal relationship between the DreamMaker Project and the Ink People, but it does not designate the DreamMaker Project to be a representative of the Ink People.

Nothing in this agreement shall constitute the naming of the DreamMaker Project or its agent(s) as an agent or legal representative of the Ink People for any purpose whatsoever except as specifically and to the extent set forth within this MOU. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and the DreamMaker Project shall make no such representation to anyone.

Media and Publicity:

The DreamMaker Project shall allow The Ink People to include information about the DreamMaker Project in The Ink People's public reports, newsletter, news releases, social media postings, on the Ink People's website, and in any other communication. This includes the purpose of support provided to the DreamMaker Project, any photographs provided to The Ink People, and logo or trademark belonging to the DreamMaker Project, and any other information and materials about the DreamMaker Project. When submitting photographs, images, or materials, the DreamMaker Project will share information about how materials should be attributed.

The DreamMaker Project may not make statements on behalf of the Ink People without express permission by the Executive Director or the Executive Director's designee or The Ink People's Board of Directors.

On media/social media, avoid posting and/or sharing offensive, discriminatory, and/or false information. The Ink People does not permit or condone bigotry, prejudice, misogyny, hatred, anti-LGBTQIA2S+ sentiment, or racism in our organization or on any associated media or social media feeds. Any social media post made by a DreamMaker Project or representative is public; anything stated or posted is considered on the record, and accessible to the general public, so be thoughtful about what your DreamMaker posts.

Acknowledgement:

The DreamMaker Project shall indicate proper acknowledgement or credit to the Ink People and other funders in publicity and communications.

Examples:

The _____ DreamMaker Project is sponsored by fiscal agent the Ink People with funding provided by _____ (funder's names)

_____ (name of DreamMaker Project) is a DreamMaker Project of The Ink People.

When writing publicity or being interviewed, include "a DreamMaker project of The Ink People". List The Ink People URL: inkpeople.org, and use the Ink People, National Endowment for the Arts, and California Arts Council logos in all materials.

If the DreamMaker Project has received significant grant funding from any other source, the name of that source should also be named on media and press materials, including logos whenever applicable.

Insurance:

The DreamMaker Project is required to be added to The Ink People's insurance policy. Upon signing of this MOU, the name of the DreamMaker Project will be sent to the insurance carrier. Any special events require submission of a "Fiscal Project Supplemental" form and may require additional fees.

Indemnification/Release of Liability:

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

Key Individuals:

The DreamMaker Project shall notify the Ink People immediately of any change in the DreamMaker's tax-exempt status, such as if the DreamMaker Project becomes an independent 501(c)3. The DreamMaker' Project will also inform The Ink People in writing if there are changes to key staff, agents, or volunteers responsible for achieving the DreamMaker's purposes. The DreamMaker must ensure a job description and contact information are on file for the DreamMaker Project leader and other key individuals. At least one representative of the DreamMaker Project must be a member of the Ink People. The DreamMaker Project leader and/or key individuals must maintain regular contact with The Ink People, including, at minimum, participating in a quarterly survey of DreamMakers.

Annual Report:

The DreamMaker Project shall submit a full and complete report to the Ink People prior to the close of the Ink People's fiscal year. The report shall be submitted by the DreamMaker Project between February 15-March 15 annually. The report shall describe the charitable programs or activities conducted by the DreamMaker Project, demographic information, budget, any grants received, and whether the grant activity has been completed. This report is part of the ongoing maintenance of the DreamMaker Project's status as a fiscal receiver of The Ink People.

Lobbying:

The DreamMaker Project's activities must be charitable in purpose, and not engaged substantially in any political activities, like lobbying for specific candidates or legislation. DreamMaker Projects may always engage in non-partisan research, voter education, and

get-out-the-vote efforts. IRS regulations for 501(c)3 nonprofit organizations preclude DreamMaker Projects from engaging in direct or implied support or opposition of any candidate or party.

Equity and Accessibility:

The Ink People is committed to advancing justice, equity, diversity, inclusion, belonging, and accessibility through our mission and work in the community. The Ink People does not tolerate discrimination based on race, class, religion, belief, sex, gender, language, sexual orientation, gender identity, sex characteristics, national origin, ethnicity, age, or ability/disability.

DreamMaker Projects must also abide by non-discriminatory policies and practices. The Ink People may offer training recommendations and/or corrective actions in order to support a DreamMaker Project's learning and growth. Failure to abide by non-discriminatory policies will result in termination of this agreement.

Conflict and Dispute Process:

In the event that a DreamMaker Project is involved in a dispute or conflict in the community, leadership or lead agents of the DreamMaker Project will immediately inform, within 24 hours, The Ink People's staff or Board President. Ink People staff will interview the DreamMaker and may make recommendations based on the interview. Though the Ink People is not responsible for the conflict, Ink People staff and board will provide guidance to the DreamMaker Project, including recommendations for mediation.

Intellectual Property:

While the DreamMaker Project is fiscally sponsored, the Ink People will hold intellectual property as an asset for the exclusive benefit of the DreamMaker Project. The Ink People reserve the right to claim negotiated royalties by mutual agreement with the producing artist(s). If the DreamMaker Project leaves to become an independent 501(c)3 or operate under a new sponsor, the intellectual property will transfer, with the DreamMaker Project, to the new 501(c)3 or fiscal sponsor. If intellectual property is developed by an individual artist that is engaged with the DreamMaker Project, the intellectual property will belong to the artist.

Real Property, Equipment, and Assets:

Should the DreamMaker Project purchase or be donated real property, equipment, or other assets, this shall be considered a resource for use toward fulfilling the DreamMaker Project's goals and vision and in support of The Ink People's mission. The DreamMaker Project is considered responsible for maintaining these assets in safe and/or working condition. Should the DreamMaker Project terminate or cease their activities, these assets will be adopted by The Ink People. The DreamMaker Project may also transfer control of assets to another nonprofit corporation which is tax-exempt under 501(c) of the Internal Revenue Code. Control must be transferred in accordance with the law and must be communicated in writing to The Ink People's Executive Director or designee.

Protection of Tax Exempt Status:

The DreamMaker Project agrees not to use project funds in any way that would jeopardize the tax-exempt status of the Ink People. The DreamMaker Project agrees to comply with any written

request by the Ink People that it cease activities which might jeopardize the Ink People's tax status, and further agrees that the Ink People's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any change to the purpose for which grant funds are spent must be approved in writing by the Ink People before implementation. The Ink People retains the right, if the DreamMaker Project breaches this agreement, or if the project jeopardizes the Ink People's legal or tax status, to withhold, withdraw, or demand immediate return of compromised funds.

No funds may be used in any attempt to influence legislation within the meaning of Internal Revenue Code IRC Section 501(c)3 and no agreement, oral or written, which is contrary to that prohibition has been made between the Ink People and the DreamMaker Project. The DreamMaker Project shall not use any portion of the monies distributed herein to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, nor encourage violation of law or public policy nor cause any improper private benefit to occur, nor take any action inconsistent with IRC Section 501(c)3.

Interpretation of Document:

This document shall be interpreted in a manner consistent with the Internal Revenue Code and pertinent regulations. No provision in this document shall be interpreted in a manner that jeopardizes the Ink People as a qualified charitable organization.

Notice to DreamMaker Project by Ink People:

The Ink People agree to notify the DreamMaker Project of any change to its tax-exempt status.

Arbitration:

In the event of any dispute under this Agreement, the parties shall attempt to resolve the matter themselves in an amicable manner. If a dispute arises which cannot be resolved, either party can request mediation. A professionally trained mediator will be agreed upon and paid equally by each party. If a mediator cannot be agreed upon, each party shall choose a representative and the representative shall choose a mediator. The purpose of mediation is to resolve differences while maintaining good relationships. An agreement to mediate does not preclude any other recourse. Failing resolution, any dispute under this Agreement shall be resolved by arbitration in accordance with the California Arbitration Act. Arbitration will be paid equally by each party. Any award or order made in any such arbitration may be entered as a judgment in a court of competent jurisdiction. Any dispute, and the resolution thereof in any manner, shall be and remain confidential information, and all parties shall protect the confidential information from public disclosure, using all reasonable legal and technical means.

Termination:

Either party may terminate this agreement by giving 60 days' written notice to the other party. **It is the responsibility of the DreamMaker Project to ensure that The Ink People has current email contact with the lead representative(s) of the DreamMaker Project.** If the DreamMaker Project will continue to exist but one of the parties desires to terminate the Ink People's fiscal sponsorship of the DreamMaker Project, the following terms and conditions shall apply. Another nonprofit corporation which is tax-exempt under IRC Section 501(c)3 and is not

classified as a private foundation under Section 509(a) must be willing to sponsor the DreamMaker Project (the "Successor").

The Successor must be approved in writing by both parties by the end of the 60-day written notice period. If the parties cannot agree on a Successor to sponsor the DreamMaker Project, the Project shall have an additional 60 days to find a Successor willing and able to sponsor the DreamMaker Project. If a Successor is found, the balance of assets held by the Ink People for the DreamMaker Project, together with any other assets held or liabilities incurred by the Ink People in connection with the DreamMaker Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. Depending on the funding source, ongoing funding (i.e. current or active grant funding) may need to be completed and managed by The Ink People until the funding is expended. If the DreamMaker Project has formed a new organization qualified to be a Successor as set forth in this paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)3 of the Internal Revenue Code no later than the end of the notice period or any extension thereof. If no Successor is found, the Ink People may allocate the DreamMaker Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

This agreement will remain in force until the end date of the DreamMaker Project or it is terminated within 60 days written notice by either the Ink People or the DreamMaker Project, whichever date is sooner.

If contact cannot be made with a designated representative of the DreamMaker Project and there has been no activity within the DreamMaker Project for a period greater than one year, the relationship will be considered terminated.

Nature of the Agreement:

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. This agreement shall supersede any prior oral or written understanding of communications between 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 the event that the Ink People updates the entire agreement/Memorandum of Understanding.

Changes to Memorandum of Understanding:

Occasionally, the Ink People will need to update the terms of this Memorandum of Understanding in order to make good use of new law, technologies, opportunities, or logistics, or as a requirement of our funders. DreamMakers will be notified before any changes take effect through their main contact on record by email and by phone. Changes will then take effect automatically, and an updated MOU will be added to the DreamMaker Project's file. The DreamMaker's contact person and information be kept up to date. If a current contact is unable to be reached, the updated MOU will be considered in effect.

