

## Sample Sponsorship Agreement

This Agreement is made this \_\_\_\_\_(date) between (sponsor - the NEH grant recipient) and (subrecipient -e.g., the artist, producer, for-profit entity).

### Purpose of Agreement

The sponsor has been awarded a grant from the National Endowment for the Humanities ("NEH") in the amount not to exceed \_\_\_\_\_ in support of \_\_\_\_\_( "the Project"), a \_\_\_\_\_(description of project that defines project scope). In order for (sponsor) to accept this award and ensure grant compliance, (sponsor) and the (subrecipient) agree to the following:

### I. General Provisions

1.1 The (subrecipient) agrees to expend NEH and cost-sharing funds exclusively for the Project within the approved grant period, in accordance with the approved budget, and subject to the administrative requirements and the terms and conditions specified in the Official Notice of Action ("Grant Award Letter") dated \_\_\_\_\_ for the NEH grant number \_\_\_\_\_(NEH-assigned number). NEH funding for this award was provided by the program described in the *Catalog of Federal Domestic Assistance* (CFDA) section \_\_\_\_\_ (number to be found at the bottom of the "Remarks" section of the Official Notice of Action -- this number is needed for the required audit of expenditures).

1.2 The (subrecipient's) relationship to (the sponsor) shall be that of an independent contractor. Nothing in this Agreement shall constitute naming the Project as an agent or legal representative of (sponsor) for any purpose whatsoever except as specifically and to the extent set forth herein. This Agreement does not constitute a contract of employment between (sponsor) and any individual. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the Project and (sponsor), and the Project shall make no such representation to anyone.

1.3 The Project shall be operated in a manner consistent with (sponsor's) tax-exempt status and as described in the (subrecipient's) application for NEH funding. No material changes in the purposes or activities of the Project shall be made without prior written permission of (sponsor), nor shall the (subrecipient) carry on activities or use funds in any way that jeopardizes (sponsor's) tax-exempt status.

1.4 Should the (subrecipient) fail to comply with any part of this agreement, resulting in the return of grant money to the NEH, the (subrecipient) agrees to make payment to (sponsor) for any costs in question by the NEH.

1.5 The (subrecipient) agrees to return to NEH the federal share of income earned by the Project as accounted for in the annual program income reports and subject to the NEH's program income policy.

1.6 The (subrecipient) agrees to license the NEH with the royalty-free nonexclusive right to reproduce or use or authorize others to use for government purposes materials produced under this grant.

## **II. Project Changes**

2.1 The (subrecipient) will inform the (sponsor) in advance, in writing, of any proposed changes to the project, including but not limited to changes in scope, key project personnel, budget, timeline, foreign travel, or equipment purchases. The (subrecipient) may not make any such proposed changes without the prior written consent of (sponsor). (Sponsor) agrees not to withhold its consent unreasonably. Proposed changes requiring written approval from the NEH will be forwarded by (sponsor) to the NEH.

2.2 Proposed administrative changes such as a one-time extension of a grant period, incurring project costs prior to a grant award period, or the transfer of funds among budget categories will be subject to (sponsor's) Organizational Prior Approval System (OPAS) as required by NEH.

2.3 The (subrecipient) agrees not to accept loans or defer costs without NEH consultation and, for deferred costs, without written approval from NEH prior to the completion of the Project.

2.4 The (subrecipient) agrees not to sub-award or sub-contract substantive project work to a third party without approval from (sponsor) and from NEH.

## **III. Record-keeping and Reporting**

3.1 The (subrecipient) agrees to maintain supporting documentation and financial records of incurred costs directly expended by the (subrecipient) for the project (including travel receipts, vendor invoices, purchase orders and written agreements for consulting services) in accordance with the standards set forth in the OMB Circular A-110 and with Article 17 of the NEH publication *General Terms and Conditions for Awards to Organizations*. Documents relating to the Project must be kept for three years following the submission by the (sponsor) of a Final Financial Report to the NEH.

3.2 (Sponsor) will maintain financial records relating to grants and contributions received and costs directly expended by (sponsor) on behalf of the Project, according to generally accepted accounting principles and the requirements of OMB Circular A-110, retain records as long as required by law, and make records available to auditors as required by law.

3.3 The (subrecipient) agrees to be audited by (sponsor). (Sponsor) will conduct an organization-wide audit at least every two years to determine the fiscal integrity of financial transactions and compliance with the terms and conditions of individual awards and government-wide administrative requirements.

3.4 The (subrecipient) agrees to provide (sponsor) with a quarterly accounting of actual project expenditures to ensure that the schedule of project goals outlined in the approved application, the actual costs as compared with the original budget estimates, and NEH grant restrictions are being met.

3.5 The (subrecipient) agrees to provide (sponsor) with all narrative and financial materials necessary to ensure the timely reporting to the NEH according to the schedule of due dates within the Grant Award Letter, including but not limited to Interim Performance Reports, Final Financial and Performance Reports, and Program Income Reports.

#### **IV. Financial Transactions**

4.1 On behalf of the (subrecipient), (sponsor) will establish and operate for the use of the Project a designated account ("an Account") segregated on (sponsor's) books. All amounts deposited into a Project's Account will be used in its support, subject to the conditions set forth below.

4.2 (Sponsor) will disburse funds from an Account only as requested in writing on properly filled-out (sponsor's) vouchers accompanied by required documentation and only as authorized by this contract. Disbursements will be restricted to the support and implementation of the Project only. Documentation must include specific reference to the approved NEH budget by category. Upon receipt of completed vouchers with documentation, (sponsor) will request funds from NEH, including a proportional amount of indirect costs. The (subrecipient) agrees not to request funds exceeding anticipated expenditures for a 30-day period.

4.3 The (subrecipient) shall act as principal coordinator of the Project's daily business with (sponsor), and shall sign signature cards, and shall have authority to singly sign disbursement requests to be submitted to (sponsor).

4.4 The Project shall not maintain a negative balance in its Account(s) at any time. (sponsor) reserves the right to suspend financial activity or to stop payment of outstanding checks if there are insufficient funds.

4.5 (Sponsor) will provide, upon request, sales tax exemption forms made out to specific Project vendors limited to payments made with a check issued by (sponsor) directly to the vendor. Any property purchased pursuant to using such sales tax exemption shall become the Property of (sponsor) but may in (sponsor's) discretion be transferred as a grant to the (subrecipient). The (subrecipient) shall indemnify (sponsor) for any sales and use taxes (including interest, penalties and (sponsor's) reasonable

contest expenses) ultimately determined to be payable by (sponsor) with respect to such purchase and/or grant.

## **V. Distribution, Credit and Publicity**

5.1 The (subrecipient) will submit to (sponsor) for review all distribution agreements before they are finalized, subject to NEH review and approval.

5.2 (Sponsor) may use the names and descriptions of the Project for information and promotion purposes provided however that all such published material shall be subject to the (subrecipient's) reasonable approval in advance of publication.

5.3 The (subrecipient) will give proper credit to (sponsor) in all publicity in the following form "[The Project] is a sponsored project of the (sponsor)" adding if necessary "with funding provided by (funders)."

5.4 The (subrecipient) will acknowledge the NEH's support of the Project as required by the terms of the NEH grant. The (subrecipient) agrees to consult the *Acknowledgment Requirements* document of the NEH for guidance on promotion and credits before implementation to properly acknowledge NEH support on the program itself and on all non-broadcast print materials, including publicity and promotion.

5.5 The (subrecipient) agrees to provide (sponsor) and the NEH with copies of reviews and other press materials, distribution brochures, notices of exhibition and awards, and any other pertinent information. The (subrecipient) agrees to provide (sponsor) and the NEH with copies of the completed program.

## **VI. Fees and Charges**

6.1 (Sponsor) will retain from the NEH grant the amount of the indirect cost budget item in the approved budget. This amount supersedes any previous written or oral understanding pertaining to (sponsor's) fees as fiscal sponsor.

6.2 (Sponsor) will also charge the Project directly for any liabilities or direct expenses the Project it may incur on behalf of the Project, including but not limited to bank charges and postage fees.

6.3 (Sponsor) will have no right to make deductions from any funds not applied for by (sponsor) nor from any income derived from exploitation of the Project.

## **VII. Liability and Insurance**

7.1 The (subrecipient) is liable for (a) any and all debts and obligations authorized by the (subrecipient) or incurred in good faith by (sponsor) on the Project's behalf during the period of this Agreement, unless such debt or obligations are the result of (sponsor's)

negligence, recklessness or willful misconduct and (b) adverse judgments against (sponsor) resulting from the (subrecipient's) negligence which are not covered by (sponsor's) liability policy.

7.2 The (subrecipient) hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless (sponsor), its officers, directors, trustees, employees and agents, from and against any and all claims, 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 (subrecipient) or the (subrecipient's) employees or agents, in implementing and operating the Project, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of (sponsor), its officers, directors, trustees, employees or agents.

7.3 The (subrecipient) shall cause the Project to obtain such liability insurance as (sponsor) may require and shall upon (sponsor's) request cause any such policy of insurance to specify (sponsor) as a named insured under the policy.

### **VIII. Termination**

8.1 This agreement will terminate if any of the following events occur:

- (a) (Sponsor) requests the (subrecipient) to cease activities which it deems might jeopardize its tax-exempt status and the Project fails to comply within a period of ten (10) days;
- (b) The (subrecipient) fails to perform or observe any other covenant of this agreement, which failure remains unremedied after fifteen (15) days of notice in writing;
- (c) Upon expiration of four weeks after either the (subrecipient) or (sponsor) has given written notice of its intent to terminate the agreement.

8.2 Except for amounts due (sponsor) pursuant to Article VI hereof, no amounts shall be disbursed from an Account to or for the benefit of the (subrecipient) or the Project during the 10-day or 15-day periods referred to in section 8.1 unless the (sponsor) request is complied with or the failure in question is remedied, as the case may be, before such period has expired.

8.3 In the event this Agreement is terminated, Project funds shall be returned to NEH and may not be transferred to any person or entity.

### **IX. Certifications**

9.1 The (subrecipient) agrees to abide by applicable certification required by NEH concerning lobbying activities, as described in the *General Terms and Conditions for Awards to Organizations*.

9.2 The (subrecipient) shall not, and 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) without prior written consent from (sponsor).

## **X. Department of Labor**

10.1 The (subrecipient) acknowledges the requirements that all professional performers, scriptwriters, and related or supporting professional personnel employed on the Project must be paid not less than the prevailing minimum union or guild rates and that no part of the Project may be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees, in accordance with the regulations, *Labor Standards on Projects or Productions Assisted by Grants from the National Endowments for the Arts and Humanities; Final Rule*. The (subrecipient) further agrees to maintain the recordkeeping required by section 505.5 of these regulations and to make these records available to (sponsor) or to the Department of Labor.

## **XI. Miscellaneous**

11.1 This Agreement will supersede any prior oral or written understanding between the parties, and may not be amended or modified except in writing signed by both parties.

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

In witness whereof, the parties hereto have executed this Agreement on the day and year first written above.

Accepted for (sponsor):

\_\_\_\_\_  
(Name and Title)

Date\_\_\_\_\_

Accepted for (subrecipient):

\_\_\_\_\_  
(Name and Title)

Date\_\_\_\_\_