

# santa barbara dance alliance

## FISCAL SPONSORSHIP (UMBRELLA MEMBER) GUIDELINES & AGREEMENT

*Board approved December 3, 2008*

Santa Barbara Dance Alliance (SBDA) acting as a Fiscal Sponsorship exists to support the artistic growth and maturation of independent arts organizations. It is necessary to seek funding from foundations and granting organizations. In order for donations to be tax deductible, the receiving person/organization must be registered as a non-profit organization with 501(c)(3) tax-exempt status. Fiscal sponsorship is an agreement between a non-profit organization and an individual artist or company, allowing the non-profit organization to act as a fiscal "umbrella", receiving and administering any funds awarded. It does not give the umbrella member non-profit status or a 501 (c)(3), only the use of SBDA's for fiscal receivership.

SBDA's job, as the Fiscal Sponsor, is to support art makers in the community. Though it is still the individual artist's job to write the project grant proposals, for a nominal administrative fee (ranging between 5-7% of the awarded money), the fiscal sponsor (SBDA) assumes all responsibility for financial transactions with the grantors. The umbrella member informs SBDA of the proposal they are sending out in our name and sends a copy to SBDA and the grantor. The grantor awards a grant to a specific member project and sends the money to SBDA. SBDA moves the money to the member project. According to Greg Colvin's book, *Fiscal Sponsorship: Six Ways to Do It Right* (SF Study Center, 1993): *"...the sponsor is not seeking ownership of any part of the results of the work, but simply an assurance that the project will use the grant funds in a reasonable effort to accomplish the ends described in the grant proposal."*

### **SBDA's INTENTION**

Our intention is to provide managerial support, guidance and insurance to dance and arts organizations so that they may produce temporary projects or begin to develop on-going organizations; and to ensure funding agencies and contributors that funds are well-managed, spent according to their guidelines, and that the artists deliver their proposed services or products. SBDA will consider projects for sponsorship if they are arts-related, excellent in discipline, non-legislative, serving community needs, serious in intent, well-planned, responsible about proper reporting to funding sources to the IRS, and showing potential for future development.

### **UMBRELLA MEMBERSHIP SERVICES**

Umbrella Membership enables the use of Santa Barbara Dance Alliance's non-profit 501 (c)(3) status and SBDA services as follows:

#### ***Financial:***

- Filing Federal, State, and Local tax informational returns including yearly 990 forms, when umbrella funds are \$5,000 or more in a single year, July 1 – June 31
- Acknowledgment of tax deductible grants and donations exceeding \$100 will be sent to donors.
- Financial record keeping of Umbrella Funds that pass through SBDA
- Yearly sending of 1099s to umbrella members exceeding \$600.
- Filing of yearly 990 forms will include members passing \$5,000 or more through our account.

#### ***Insurance:***

- General Liability Insurance up to \$1,000,000 specific to events, performances, rehearsals and exhibits only.
- Certificates of Liability/Additionally Insured for venues will be sent by request

#### ***General Administration:***

- Use of our mailing list (approx 4,000 in 2008) at a discounted rate:
- SBDA maintains an office, staff, phone, fax
- Automatic membership with SBDA (a \$35 per fiscal year value), includes membership benefits
  - For Dance Companies: If you wish to be listed in our dance directory and on the web, an additional fee of \$10 will apply.

#### ***Grants:***

- Copies of our latest non-profit 990 federal non-profit income tax filings for your grants
- Grant progress reports as needed sent to funders. You must provide us the information, and we will forward it on our letter-head and sign and date it.
- Grant application review upon request

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- Use of our 501(c)(3) status for grants
- Use of a list of local foundation funding sources
- SBDA will send timely reminders of required Umbrella Member reports due to grantors, upon request

## *Studios or individuals:*

- Studios or individuals may solicit private funds or donations for dance/art related projects. Donations are made payable to Santa Barbara Dance Alliance and the service fee is 10%.

## ANNUAL UMBRELLA FEES

\$500 yearly fee, includes insurance

5% of all income processed up to \$19,999 during the member's annual umbrella period

7% of income processed of \$20,000 or more

Individuals or groups operating under the corporate umbrella are required to prominently acknowledge **Santa Barbara Dance Alliance** as a sponsor of their operations and events, in posters, ads, and programs. Logo is available from the office or via e-mail.

## For detailed information, please see attached:

- Application
- Guidelines
- Mail Information
- Umbrella Contract
- Fiscal Year Filing Form
- Invoice
- Production Calendar

## UMBRELLA MEMBER GUIDELINES

### APPLICATION

see addendum A

Groups requesting umbrella membership must apply in writing. A simple letter or e-mail describing your group and its mission is sufficient. Please attach a copy of your annual budget and your proposed season.

SBDA Board of Directors must approve requests for umbrella membership status. Board meetings are held on the first Wednesday of each month. Please call the office to confirm and have your request for Umbrella Membership placed on the agenda. You may come to the meeting if you wish. The Board will notify you of your acceptance.

Upon Board acceptance you will be given a contract to sign and be asked to pay your \$500 fee. Contracts run for 12 months from your acceptance. Annual renewal will automatically be sent to you.

Umbrella status may be granted to performing groups or individuals.  
We cannot umbrella classes, workshops and/or studios.

*SBDA is solely responsible for all funding received and distributed under our non-profit status. We are directly responsible to the IRS and other government bodies as well as to donors and funding organizations. We are responsible for satisfying your funders' wishes, ensuring reports are made to them in a timely manner. Under some circumstances, SBDA may need to require additional agreements, tracking and reporting documents for your funders.*

### PROPOSED SEASON

see addendum B

Umbrellas must submit their proposed season dates for the following season as early as possible and before securing venue dates, so we can assist dance groups in avoiding schedule conflicts. We also need this information for our insurance company so you will be covered. Changes can be made as they occur.

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## DEPOSITING FUNDS

For donors to receive tax deductions, contributions must flow through SBDA. Government agencies, private foundations, and most individuals and corporations, require that their funds flow through a non-profit 501 (c) (3).

Grant or donation checks are to be made payable to:

Santa Barbara Dance Alliance. Please put company name on memo line.

Financial institutes will only accept checks payable to:

Santa Barbara Dance Alliance, 1330 State Street, Suite 201, Santa Barbara, CA 93101

SBDA will acknowledge donations of \$100 or more, in writing, although Federal regulations require us to acknowledge amounts over \$250. We will send donors our Federal Tax ID Number for their tax purposes.

## TRANSFERRING FUNDS TO UMBRELLAS

see addendum C

- 1) SBDA receives funds from your donor.
- 2) Umbrella member submits a breakdown of planned expenditures on our billing form.
- 3) SBDA will make a check payable, less the 5 or 7% service fee to the Umbrella group or individual on receipt of billing.
- 4) Umbrella group will retain original receipts as itemized on the bill and turn in copies of said receipts to SBDA as per IRS requirements.

*If billing is based on estimated expenses, a revised bill should be submitted reflecting actual expenditures.*

## EARNED/CONTRIBUTED INCOME

SBDA accepts only unearned/contributed income such as: grants, donations from Individuals, corporations, foundations, and government sources.

Earned income: tickets, fees for performance, merchandise and workshops can go directly into Umbrella member's accounts. This money does not pass through SBDA.

Additional Fiscal Fees may be assessed if the Umbrella group or individual requires excessive servicing and will be based on the amount of administrative time to process the donations either monetary or in-kind.

## FISCAL YEAR END ACCOUNTING

see addendum D

SBDA is required to include all income that passes through our account from each of our Umbrella members that totals \$5,000 or more, **unearned or gifted**, with our yearly 990 non-profit Federal Income Tax filing. Earned income like salaries, ticket sales, merchandise sales are not included.

Umbrella groups or individuals will give SBDA a summary of income/expenditures that totaled \$5000 or more at the end of each fiscal year (July 1-June 30) on the form provided. This is due to SBDA by July 15. **If accounting is not submitted to SBDA by this time, it will result in termination of Umbrella status without refund.**

Each Umbrella Member group or individual is responsible for distributing 1099 forms in early January using their social security or employer number to each employee that has earned over \$600/year. Copies must go to the employee and to IRS and Franchise Tax Board. See your accountant re: filing income tax. Forms can be obtained at IRS offices or on line at [www.irs.com](http://www.irs.com).

SBDA will give the principal member of each Umbrella group a 1099 covering all funds that pass through SBDA over \$600/year, unless you are a corporation. You are required to file this income on your income tax. It may be filed on your personal tax on a Schedule C as it is a business. Ask your accountant. Each umbrella group is responsible for filing their own income taxes.

## GRANTS

Umbrellas may apply for grants under SBDA's non-profit 501 (c)(3) status. Some foundations/organizations only accept one grant application from each non-profit. SBDA will have priority in this instance. Check before you apply. Santa Barbara Foundation and Towbes Foundation are two we know of.

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## When you decide to apply for a grant:

- Write your grant.
- Generally, donors want a budget for your project. It differs whether they want your budget or SBDA's. Please ask them.
- We will review your grant upon request.
- If you need copies of our non-profit tax identification number, copies of our 501(c)(3) status, 990 form, or list of our Board of Directors or if you need appropriate SBDA signatures, please be sure to obtain these well in advance.
- **A final copy of the grant must be given to SBDA for our files inasmuch as SBDA is the fiscally responsible party.**

## INSURANCE

**As the insurance policy holder, SBDA is the only entity that can request or obtain Additionally insured certificates (ACORDs) from our Insurance Company.** Umbrella members or individuals must give an estimated number of annual performances and performers to SBDA at the beginning of their umbrella year, with updates as needed.

You are responsible for any additional premiums if the insurance company determines your event requires it.

Specific endorsement language needed by some government funding sources, have been assessed additional fees by our insurance provider. Please check with us so we can ask the insurance company.

Groups with their own 501 (c)(3) who wish to join for insurance purposes only must pay the yearly \$500 fees.

Additionally insured certificates (ACORDs) for venues/entities must be requested 2-4 weeks in advance to obtain required paperwork from our Insurance Company. Please see "Information for Certificate of Insurance" for particulars needed. Umbrella member must fill out this information and email it to [dance@sbdalliance.org](mailto:dance@sbdalliance.org). Complete information must be sent to the insurance company.

**See ACORD application on page 5.**

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## **INFORMATION FOR CERTIFICATE OF INSURANCE (ACORD):**

***\*\*Please remember to allow 2-4 weeks for processing\*\****

### **INSURED:**

Santa Barbara Dance Alliance  
1330 State St, Suite 201  
Santa Barbara, CA 93101

### **DESCRIPTION OF OPERATIONS/VEHICLES/SPECIAL ITEMS:**

Certificate holder is named as additional insured under the general liability policy.

### **RE:**

#### **NAME OF UMBRELLA MEMBER:**

Dates of Event:

Description of Event:

Contact Info:

Name:

Address:

Phone:

Fax:

E-mail:

#### **CERTIFICATE HOLDER:**

Venue Event will be Held at:

Address of Venue:

Dates of event:

Short description of activity:

Contact Information at Venue:

Name:

Phone:

Fax:

E-mail:

### **ADDITIONAL INFORMATION AS PER VENUE REQUEST:**

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## ADDITIONAL INFORMATION

### Listing in Promotional Material

Individuals or groups operating under the corporate umbrella of Santa Barbara Dance Alliance are required to acknowledge SBDA prominently in all posters, ads and programs as a sponsor of their operations and events. Logos are available to copy on the last sheet of this document.

**Suggested wording: This production is presented in cooperation with, in collaboration with, or under the auspices of, Santa Barbara Dance Alliance. Please check with us if you wish to use other wording.**

### **Mailing List**

#### **Consultations**

SBDA will set up limited consultations with any individual or group by request, including critiquing grants. We can also refer outside consultants in any area that is needed. Rates usually start at \$40/hr.

### **WANT TO USE OUR MAILING LIST?**

Umbrella Members may have the use of SBDA's Mailing List at the rate of 5¢ per label, maximum charge of \$125 for each single use. The list may not be copied or re-used.

Our list has about 4,000 (in 2009) names on it. We are constantly updating, increasing our list and correcting addresses on it. We can reduce the list by filtering specific zip codes. When you are ready for the mailing list, call us. We will calculate the cost of the list use. When we receive your check we will send a current updated list to your mail house. Please give us at least 2 weeks notice to prepare the list for you.

The post office has very stringent mailing rules. If you are using our logo on your mailing piece it must list us as a sponsor, or you will be charged regular postage rates, rather than non-profit bulk rates.

If you have non-profit clearance with the Post Office, your mail order house will allow you to use their bulk permit number at the non-profit rate. Without a non-profit clearance, your mail order house can still offer you discounts on mailing rates, but not as much.

### **RATES:**

- Mailing list charges are for each bulk-mailing event. You may not copy our list.
- SBDA Umbrellas 5¢ per label. Maximum charge \$125 max. We have over 6000 names and can give you specific zip areas.
- SBDA members pay 7¢ per label
- Non-member groups pay 10¢ per label
- If you ask for a set of printed labels directly from SBDA, add 3¢ per label to the above rates

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**Addendum A**

**UMBRELLA APPLICATION CONTRACT**  
Please sign and return this with your yearly dues

Umbrella Member \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Official Title \_\_\_\_\_  
E.I.N/Social Security # \_\_\_\_\_  
Address, Zip \_\_\_\_\_  
Fax/Phone \_\_\_\_\_  
E Mail \_\_\_\_\_  
Alternate Contact \_\_\_\_\_  
Address, Zip, Phone \_\_\_\_\_  
# of performers in company \_\_\_\_\_  
Name and address of any additionally insured entities \_\_\_\_\_

**YEARLY FEES**

\$500.00 Yearly Umbrella Membership Dues paid on or before due date. Umbrella Member due dates are yearly from date of SBDA Board of Directors approval of Umbrella Membership.

Due date for (member) \_\_\_\_\_

Will be (date) \_\_\_\_\_.

**PLEASE ATTACH A LIST OF PROPOSED PERFORMANCES DURING THE YEAR.**

Include dates, # of performers, site, and #of audience

I have read this agreement and agree to abide by the terms set out in the attached Umbrella Agreements and Guidelines (page 1-4). \_\_\_\_\_ (initial)

I understand delinquent Umbrella Fees will be considered grounds for contract termination with Santa Barbara Dance Alliance. \_\_\_\_\_ (initial)

There will be a 30-day grace period after the renewal date. After 30 days, 5% per month will be assessed. \_\_\_\_\_ (initial)

Santa Barbara Dance Alliance retains the right to withhold delinquent Umbrella Fees from donations received for the Umbrella Member's benefit.

This contract will remain in effect upon timely payment of annual dues, unless SBDA is otherwise notified.

For Umbrella Group \_\_\_\_\_

SBDA Board Member/ED \_\_\_\_\_

Date \_\_\_\_\_

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**Addendum B**

**UMBRELLA ORGANIZATION MEMBER PROPOSED SEASON**  
**DUE SEPT 15 YEARLY**

Umbrella Member \_\_\_\_\_

Contact Person \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E Mail \_\_\_\_\_

Alternate Contact Person \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E Mail \_\_\_\_\_

\_\_\_\_\_

dates venue times

\_\_\_\_\_

event title

\_\_\_\_\_

brief description

\_\_\_\_\_

dates venue times

\_\_\_\_\_

event title

\_\_\_\_\_

brief description

\_\_\_\_\_

dates venue times

\_\_\_\_\_

event title

\_\_\_\_\_

brief description



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Addendum D

## UMBRELLA YEARLY FINANCIAL REPORT

Umbrella Member \_\_\_\_\_

Fiscal Year July 1, \_\_\_\_\_ to June 30, \_\_\_\_\_

Signature \_\_\_\_\_

Date Filed with SBDA \_\_\_\_\_

E.I.N/Social Security # \_\_\_\_\_

This form will cover all funds that have been deposited to Santa Barbara Dance Alliance account and how they were spent for any Umbrella Member who has deposited \$5000 or more through Santa Barbara Dance Alliance accounts. Do not include earned income.

	CATEGORY	AMOUNT	TOTALS	GRAND TOTALS
<b>INCOME</b>	CONTRIBUTIONS Individual, corporate, foundation, & government			
	<b>TOTAL INCOME</b>			
<b>EXPENSES</b>				
WAGES	ARTISTIC FEES			
	ADMINISTRATIVE FEES			
	TECHNICAL FEES			
	<b>Total Wages</b>			
OFFICE	RENT			
	UTILITIES, PHONE			
	POSTAGE, SUPPLIES			
	<b>Total Office</b>			
PROMOTION	ADVERTISING			
	PRINTING			
	<b>Total Promotion</b>			
RENTAL	REHEARSAL			
	THEATER			
	<b>Total Rental</b>			
PRODUCTION	COSTUMES, PROPS, MUSIC, SETS			
	<b>Total Production</b>			
FEES	INSURANCE			
	MEMBERSHIP DUES			
	LICENSES			
	<b>Total Fees</b>			
	<b>TOTAL EXPENSES</b>			

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	TOTAL INCOME less TOTAL EXPENSES			
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## CALENDAR FOR UMBRELLA MEMBERS

- January 20      A 1099 will be sent to your organization for all umbrella pass outs made to you during the calendar year.
- June 30        SBDA Fiscal year is completed.
- July 15         Year end report for tax filing due to Santa Barbara Dance Alliance
- September 15    Proposed season dates sent to Santa Barbara Dance Alliance

\_\_\_\_\_Renewal fees due to Santa Barbara Dance Alliance  
You will be billed one month in advance. Late fees of 5% a month will be assessed after renewal is 30 days late.

### Listing in Promotional Material

**Individuals or groups operating under the corporate umbrella of Santa Barbara Dance Alliance are required to acknowledge SBDA prominently in all posters, ads and programs as a sponsor of their operations and events. Logos are available on our website. Emailed files can be sent upon request.**

**Suggested wording: This production is presented in cooperation with, in collaboration with, or under the auspices of, Santa Barbara Dance Alliance. Please check with us if you wish to use other wording.**

Logos.....please download from our website at <http://sbdancealliance.org/documents/>

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