



## **BREAKDOWN: Theatre FUNdraiser Agreement**

This Breakdown Section (3 pages) is NOT a part of the Theatre FUNdraiser Agreement. It is only meant to be used as a tool to help the reader better understand the Agreement in full, by breaking down what is in each section, without the inclusion of legalese. We figured that if we couldn't always follow the legalese without a lawyer that you might not be able to, either. Nothing in the Breakdown Pages should be taken as legally binding, nor should constitute legal advice. If you have any questions regarding this Agreement you should contact ZingerZ Comedy and/or your legal representative to help you interpret or clarify the actual content within this Agreement. The section breakdowns on these pages do not necessarily cover or describe every point, but we did put in a good faith effort to make the Agreement easier to digest and understand.

### **SERVICES RENDERED**

This section is just a list of all the things we're going to give you, including providing you with a turnkey process, a storefront to collect all card transactions, our professional show (co-starring your students), two workshops for your students, etc. It includes everything we're willing to do (*note the "School can choose" part in there*), not just the parts that your school/district/admins may or may not allow. There's only a few things that it specifies will be automatically included, such as things like selling tickets, accepting donations, obtaining sponsorships, providing a location, and following our advice to the best of your abilities (our professional experience and knowledge is why you hired us, after all). This is important because although we can show you how to do it in the most efficient and profitable way, they aren't things we can do for you.

Here is a breakdown of some FUNdraiser Options we provide (plus addressing possible concerns):

- **Silent Auction (can raise up to \$1,000+ for your school):** This option is self-explanatory, however we wanted to point out one thing that we've found some schools had concerns about... There is no sales tax of any kind associated with this auction. The items are all donated to your theatre program for the intent of being auctioned off to help raise money for your school and the winning bids are all considered as donations to your theatre program. Additionally, any sales which are made on the day of the event (defined by the State Comptroller as: "The day the exempt organization delivers the items to its customers.") are seen by the State Comptroller as a "One Day, Tax-Free Sale", therefore are considered to be Tax Exempt, so you DO NOT have to collect or pay sales tax on any silent auction items. Silent Auctions are also not considered to be the same as "Raffles" by the State Comptroller...
- State Comptroller website states: *"Texas school districts, public schools, qualified exempt private schools and bona fide chapters within a qualifying school may have **two one-day, tax-free sales** or auctions each calendar year (January through December). During a tax-free sale day, the organization is not required to collect tax on the sales price of taxable items."*

- **On-Stage Auction (can raise up to \$1,500+ for your school):** On-Stage Auctions are basically just an extension of the FUNdraiser event's entertainment. Students provide a service that can be auctioned off to the highest bidder, however 99% of the time those services are *never* performed. The winning bids are just taken as an additional donation (tax free) for the night's festivities. Additionally, for the 1% of services which are completed by students, steps are taken to make sure that both the students and school are 100% protected from any negative impacts that could possibly occur. 99.9% of the time, student services are being bid on and won by their parents/family/friends, people they know and trust. However, in the event that a student does not feel 100% safe in completing their won service, there's fine print included into the auction info sheets which states they don't have to provide that service and that the winning bid will be accepted as a donation only. We also include protective language within our services fine print that also protects the school from any contrived claims of liability. The On-Stage Auction is meant to be just a fun extension of your fundraising efforts, so we make sure that is how it stays, with no risk what-so-ever towards your students or school. On-Stage Auctions are also not considered to be the same as "Raffles" by the State Comptroller (see above), thus they fall within the same "One Day, Tax-Free Sale", therefore are considered to be Tax Exempt, so you DO NOT have to collect or pay sales tax on any On-Stage Auction bids.
- **Raffle (can raise up to \$1,000+ for your school):** Another self-explanatory option, however we wanted to make sure that a concern many schools have had is made clear... **We Do Not Allow any school to hold a raffle unless their FUNdraiser event is being run through a state recognized booster club.** The State Comptroller has strict rules when it comes to raffles, and we abide by them. We will only allow a raffle to take place if the FUNdraiser is being run through your theatre department's booster club. No booster club = No raffle. Additionally, in the event that a raffle is allowed (via a booster club only), all raffle ticket sales will fall under the booster club's Non-Profit Tax Exempt status, therefore you DO NOT have to collect or pay sales tax on any raffle tickets sold or items won.
- **Opt-Out Alternative (can raise up to \$1,500+ for your school):** As our services are being provided for a Theatre Department Fundraiser, it is expected for every student who is a part of (and/or benefits from) that department to help raise money to support it. Students who do not wish to actively support the program can choose to opt-out of doing the expected amount of effort, by contributing a small amount of effort instead. Students can Opt-Out by collecting a small donation amount from family/friends or by just selling two tickets to the Fundraiser Show. These are basic fundraiser activities that commonly take place in any and all fundraisers, including most fundraisers for football, choir, basketball, orchestra, etc., therefore should not conflict with any school fundraiser policies. Additionally, none of the provided opt-out alternatives are expensive or time consuming for the students.

## ONLINE PLATFORM

This is a funny part to have to include, but our lawyers insist. Basically, it just says that ZingerZ is using an established third-party vendor to handle the actual credit card transactions, not us directly. It all works flawlessly and seamlessly, but the lawyers insist that we explain it. Most likely, the only thing that you might actually care about in this section is that if you take any money outside of the storefront we give you that it just needs to be documented so we can properly count it. It's also worth noting that if you do a raffle we can't collect that money for you because it would be illegal for us to do so. Your booster club, which you have to have in order to do a raffle with us, will have to collect that on its own and document it into our system for reporting purposes.

## EVENT DETAILS

This section is just laying out the basic details of your event/show with us... Specifics on some of the things that are automatically included (although not automatically required) to help raise more money for your program, as well as a few other details our lawyers wanted listed to make sure everything is being handled in a way that ensures everyone is in good standing with state fundraising laws.

## EVENT SERVICES FEE

## FEE PAYMENT

## CANCELLATION POLICY

These next three sections are the part about how we at ZingerZ get paid. There's a few key points.

**First: you will never write us a check. There's no minimums in place, no deposit required, and you'll never pay us anything out of your budget/account. Our fee is paid from event proceeds only. On top of that, we're going to limit how much you can pay us. Yes, *that means we take on all the risk for every single school event.*** Second, almost every time we've ever done an event the vast majority of transactions are credit card transactions. At the night of the event we'll settle up the accounting and get a check sent to you. There's only two exceptions to this. The first exception would be if you took in more than 60% proceeds in cash. In this case, you'd just settle with us from the cash that you were already holding in your hands. Again, you will never write us a check. No money will ever come out of your program/school/district/booster budget or account. The only other possible exception would be IF we need to charge a travel fee AND your students did so little work that it doesn't look like you'd have the proceeds to cover our travel (Our travel fee has to be outside the 40% because although we're ok with taking a risk, the hotel we'd have to stay in doesn't like letting us sleep there for free.). In that case, we'd just cancel the "we come to your school" part of the event. In the CANCELLATION POLICY section, it states that you can still do the event without us, with the whole storefront and everything else still there to help you out. The only thing that would change is whether we're physically coming and spending the night in your town. There may be a couple of small cancellation fees, depending on the amount of work we've already done, but even those will be paid out of your event proceeds, not your budget/account. It's also worth noting that we've NEVER had to use the cancellation policy; it's just there to protect us (because, again, we're taking all the risk). The bottom line is that you will *Never* have to write us a check or pay us out of your budget/account, no matter what happens, regardless of how much or little you raise. You could say that we're either terrible businessmen or we really love school theatre; take advantage of whichever you prefer when you sign.

## ADDITIONAL TERMS

This last section is mostly boilerplate stuff, but there's a few notable things. First, we're legally defining this as your event, as we're simply providing you with event services, not making your event decisions. Also, we record all of our shows, for both promotional and protection reasons only. If someone gets hurt during an event, we'd like to have video of it to protect everyone involved. You are also more than welcome to record the show as well for your own purposes, as it is your event after all. Additionally, signage will be posted at the entrance letting all of your guests know that the show is being recorded and that any show volunteers will be as well. This way everyone knows about it in advance. If anyone doesn't want to be recorded, they know not to volunteer to join us onstage. Simple. We'll also be able to share any recordings with each other for free. Lastly, if any changes have to be made we'll just amend the Agreement with those changes to, once again, make sure everyone is protected.