Fiscal Sponsorship can be an effective way to launch a new program, start a nonprofit, or bring instant credibility to a new cause. But it’s not an arrangement you want to enter into casually. Fiscal sponsorship is a contractual arrangement in which a 501(c)(3) sponsors a project for a group that does

not have tax exempt status. It allows the group to seek grants and solicit tax-deductible donations under its sponsor’s tax-exempt status. Typically a nonprofit would offer its legal and tax-exempt status to a group or project engaged in activities related to its mission. It can be an effective way to launch a new program idea, provide a time-limited service or start a new nonprofit. There are risks and benefits to both parties, so it’s important to consider each carefully.

**O N B O A R D I N G**

## S T E P 1

**Mission Fit**

Does the project match your nonprofit's mission and vision?

## S T E P 2

**Orientation**

Do they understand the arrangement & expectations of fiscal sponsorship?

## S T E P 3

**Application**

Can they communicate their project clearly and show how it fits the mission?

## S T E P 4

**Board Approval**

Do they have a

fiscally sound plan and will this further your organization's work & impact?

## S T E P 5

**Training & Contract** Do they

understand how money will be handled, donors acknowledged & support given.

## S T E P 6

**Checklist Complete** Have they met all your

requirements for opening a bank account & taking donations?

**A S S E T S T O H A V E**

**D O N ' T F O R G E T**

# **Train your Board Train your Donors Train your Bank**

High level bookkeeping organization

Donor Software

**Have referrals for 501(c)3 application assistance**

Cloud File-sharing

Ability to be timely in responses

**Set clear financial policies**

**Purchase Professional Liability Insurance**

**Include sponsees in 990 forms**

## Our fiscal sponsorship introduction packet contains:

Introduction to Fiscal Sponsorship - as Arts Alive! defines it

Fiscal Sponsor Checklist - the process of getting ready for raising money

Fiscal Sponsorship Guidelines - clear expectations on mission, vision, and responsibility to donors Leadership Responsibilities - identifying the leadership team and point person for communications Project Plan Questionnaire - how to share the basics of the project

Arts Alive, Inc. Fiscal Sponsorship Agreement - signing off of everyone's expectations & responsibilities Insurance Requirements - we do not provide insurance nor act as an "agent" or "entity" for sponsees Indemnification, Hold Harmless and Insurance Agreement

Budget Worksheet - kick-start the financial side of business planning

Financial Procedures - deposits, payments, reimbursements, cash handling, record keeping, etc. Publicity Information - sponsees acknowledge Arts Alive! as a sponsor on all materials

Contents: Year End Report - in order to do tax reporting / filing

**" N A H T O T H E A H T O T H E N O , N O , N O "**

**If they are operating**

**in a vacuum: no partner, team, or community engagement**

**If they change the**

**project or program idea to fit it to the fiscal sponsor's mission**

**"We've already**

**applied for a grant, but they want us to have a fiscal sponsor before they give us money, and we need to pay someone in 2 weeks..."**

**If they demand a separate**

**and independently controlled bank account for the project**