



## **FISCAL SPONSORSHIP GUIDELINES**

The primary purpose of fiscal sponsorship is to benefit newly formed entities while they work to obtain their 501(c)(3) designation from the IRS. Applications from LLCs, B Corps, or other for-profit entities will not be considered.

Applicants may only use a fiscal sponsor if there is a meaningful mission fit and an existing, working relationship between the two organizations. The applicant organization must be organized to carry out a specific charitable purpose and have an established advisory board or oversight committee. The applicant should demonstrate that grant funding will be used only for a charitable purpose, as defined by the IRS.

The fiscal sponsor must be currently designated as a 501(c)(3) non-profit organization by the IRS or be a government entity. Private non-operating foundations are not eligible. The fiscal sponsor cannot act solely as a pass-through entity and will be responsible for and legally in control of funds granted for the project. The fiscal sponsor is responsible for:

- Ensuring charitable use of grant funds, as described in the grant proposal
- Certifying reports to The Community Foundation on the manner in which the funds are spent and the progress made in accomplishing the purposes of the grant
- Segregating grant funds from other assets of the organization, or if this is not feasible, separately tracking and accounting for how those funds were expended. Bank statements may be requested at six months and then annually until the project is complete.

**Applicants using a fiscal sponsor will be asked to submit the following documents in the brief proposal form:**

- Signed sponsorship form (template provided)
- Copy of meeting minutes with fiscal sponsor's governing authority (board, etc.) granting approval for the organization to act as fiscal sponsor for the non 501(c)(3) entity
- Financial documents from the sponsoring organization (current year budget, profit and loss statement from previous year, and most recently completed 990)
- List of current Board of Directors for the sponsoring organization
- Project budget with the expected administrative fee of the fiscal sponsor

**Questions?** Please direct any additional questions you may have about the CFGB competitive grantmaking process to Nicole Standridge, Senior Program Officer, at [nstandridge@cfbham.org](mailto:nstandridge@cfbham.org).