

# FISCAL SPONSORSHIP PROGRAMS

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**The mission of NEW is to: Improve the impact and performance of fellow nonprofits by working alongside leaders to create high-quality strategic solutions that advance their missions in our communities.**

**We look to drive: Empowered Leaders, Flourishing Nonprofits, and Vibrant Communities.**

The FISCAL SPONSOR PROGRAM offers fiscal sponsorship and administrative services to a range of nonprofit projects working to improve the SE Michigan community. Fiscal sponsorship is a legal relationship through which a 501(c)(3) public charitable organization sponsors an individual or group that requires the benefits of the tax-exempt and legal status of the sponsoring organization to realize a project.

Nonprofit Enterprise at Work has provided fiscal sponsorship services to more than xx projects since 2016.

NEW'S Fiscal Sponsor Program provides two types of fiscal sponsorship support to projects:

- Comprehensive (Model A)
- Grant Specific or Grantor-Grantee (Model C)

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# What Type of Fiscal Sponsorship is Right for You?

## Comprehensive

Through comprehensive fiscal sponsorship, the project becomes a program of NEW and is integrated into our organization with NEW maintaining all legal and fiduciary responsibility for the project. Comprehensive projects benefit from a suite of administrative services such as:

- Financial management, bookkeeping, and accounting
- Purchasing and bill payments
- Payroll and human resources management
- Receiving contributed funds and distribution of donor tax letters
- Contract management
- General liability insurance and insurance management
- Fundraising feedback and support

The fee for comprehensive fiscal sponsorship starts at 10% of project funds and may increase dependent on the level of services that NEW provides your project.

For NEW to consider your project for comprehensive fiscal sponsorship, the project should:

- Align with NEW's mission
- Have a proven track record of implementing impactful projects benefitting the SE Michigan community
- Strive to drive: Empowered Leaders, Flourishing Nonprofits, and Vibrant Communities
- Comply with the guidelines for exempt activities under section 501(c)(3) of the Internal Revenue Code
- Be unincorporated, with a responsible and experienced Project Leader
- Have a minimum project budget of \$10,000

## Grantor-Grantee

With grantor-grantee fiscal sponsorship, the project remains independent from NEW and is responsible for managing its own tax reporting and liability issues. The fiscal sponsorship relationship is funding-specific. NEW receives the contributed funds such as grants and tax-exempt donations on behalf of the project and distributes those funds to the project to realize the project's purpose. NEW's administrative support services are limited to those necessary for receiving and overseeing the funds:

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- Receiving funds and distribution of donor tax letters
- Accounting and compliance related to receipt of contributed funds
- Fundraising feedback and support

The fee for grantor grantee fiscal sponsorship is 5-7% of project funds.

For NEW to consider your project for grantor-grantee fiscal sponsorship, the project should:

- Align with NEW's mission
- Have a proven track record of implementing impactful projects benefitting the SE Michigan community
- Strive to drive: Empowered Leaders, Flourishing Nonprofits, and Vibrant Communities
- Comply with the guidelines for exempt activities under section 501(c)(3) of the Internal Revenue Code.
- Be a state-registered corporation, nonprofit, LLC, or sole proprietorship
- Have an established system for bookkeeping and accounting
- Have a minimum annual budget of \$10,000

## Comparison

The following chart outlines our comprehensive and grantor-grantee fiscal sponsorship offerings and how the responsibilities differ between NEW and you as the project leader.

	<b>Comprehensive (Model A)</b>	<b>Grantor-Grantee (Model C)</b>
<b><i>Project Leadership</i></b>		
Mission, vision, and programming	<b>You lead.</b>	<b>You lead.</b>
Communications and promotion	<b>You do this</b>	<b>You do this</b>
<b><i>Financial Management</i></b>		
Budgeting and financial decision making	<b>You lead and manage this.</b>	<b>You lead and manage this.</b>
Bookkeeping and accounting	<b>We do this.</b>	<b>You do this.</b>
Contributed revenues (tax-exempt for the donor)	<b>We receive and track these.</b>	<b>We receive and track these.</b>
Earned revenues (not tax-exempt)	<b>We receive and track these.</b>	<b>You receive and track these.</b>
Paying bills and expenses	<b>We make payments following your instructions.</b>	<b>You pay all of your bills.</b>
Tax reporting and compliance	<b>We do this.</b>	<b>You do this.</b>

<i>Fund Development</i>		
Donor and funder relationship management	<b>You</b> do this.	<b>You</b> do this.
Fundraising (donor cNEWaigns, crowdfunding, etc.)	<b>You</b> do this with our input.	<b>You</b> do this with our input.
Grant applications and reporting	<b>You</b> do this with our input.	<b>You</b> do this with our input.
IRS required donation letter and other fundraising compliance	<b>We</b> do this.	<b>We</b> do this.
<i>Insurance and Risk Management</i>		
General Liability Insurance	<b>We</b> obtain and manage.	<b>You</b> obtain and manage.
Workers' Comp Insurance (when applicable)	<b>We</b> obtain and manage.	<b>You</b> obtain and manage.
<i>Employment</i>		
Selection of personnel (contractors and employees)	<b>You</b> lead, in coordination with NEW.	<b>You</b> do this.
Hiring of personnel	<b>We</b> do this.	<b>You</b> do this.
Contract management	<b>We</b> do this.	<b>You</b> do this.
<i>Ownership</i>		
Intellectual property	<b>You</b> own.	<b>You</b> own.
Supplies and equipment	<b>We</b> own	<b>You</b> own.
Real property, vehicles, etc.	<b>Must consult with NEW.</b>	<b>You</b> own.

## Additional Services

### **Communications support**

All NEW sponsored projects regardless of support type have the opportunity to be promoted through a profile on NEW's website.

### **Other Financial Services**

Grantor/Grantee model sponsored projects may also benefit from NEW'S other financial service offerings, including Bookkeeping and Financial Consulting.

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Adapted from Culture-works, Philadelphia and Allied Media Projects, Detroit