

# FISCAL SPONSORSHIP OVERVIEW





# Fiscal Sponsorship Programs

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## About Our Programs

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 requiring the benefits of the tax-exempt and legal status of the sponsoring organization to realize a project.

NEW (Nonprofit Enterprise at Work) has provided fiscal sponsorship services to innovative and impactful projects and organizations 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)

# What Type of Fiscal Sponsorship is Right for You?

## Comprehensive (Model A)

Through comprehensive fiscal sponsorship, the project becomes a program of NEW and is integrated into our organization. In these relationships, NEW maintains 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:

- Tightly align with NEW's mission to realize a more just and thriving society
- Be led by individuals with a proven track record of meaningful social change work in projects benefitting underserved communities in SE Michigan
- Strive to support: 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 (Model C)

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:

- 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:

- Tightly align with NEW's mission to realize a more just and thriving society
- Be led by individuals with a proven track record of meaningful social change work in projects benefitting underserved communities in SE Michigan
- 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

## Program Comparison

The following chart outlines our comprehensive and grantor-grantee fiscal sponsorship offerings. It also outlines how the roles and responsibilities differ in these relationships.

|   | Comprehensive (Model A)                              | Grantor-Grantee (Model C)          |
|---|--|------------------------------------|
| Fees  | 10+% of Project Funds                                | 5 - 7% of Project Funds            |
| <b>Project Leadership</b>                       |  |                                    |
| Mission, vision and programming                 | <b>You</b> lead.                                     | <b>You</b> lead.                   |
| Communications and promotion                    | <b>You</b> do this.                                  | <b>You</b> do this.                |
| <b>Financial Management</b>                     |  |                                    |
| Budgeting and financial decision making         | <b>You</b> lead and manage this.                     | <b>You</b> lead and manage this.   |
| Bookkeeping and accounting                      | <b>We</b> do this.                                   | <b>You</b> do this.                |
| Contributed revenues (tax-exempt for the donor) | <b>We</b> receive and track these.                   | <b>We</b> receive and track these. |
| Earned revenues (not tax-exempt)                | <b>We</b> receive and track these.                   | <b>We</b> receive and track these. |
| Paying bills and expenses                       | <b>We</b> make payments following your instructions. | <b>You</b> pay all of your bills   |
| Tax reporting and compliance                    | <b>We</b> do this.                                   | <b>You</b> do this.                |
| <b>Fund Development</b>                         |  |                                    |
| Donor and funder relationship management        | <b>You</b> do this.                                  | <b>You</b> do this.                |

|   | Comprehensive (Model A)                    | Grantor-Grantee (Model C)          |
|---|--|------------------------------------|
| Fundraising (donor campaigns, 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.                 |
| <b>Insurance and Risk Management</b>                          |  |                                    |
| 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.      |
| <b>Employment</b>   |  |                                    |
| 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.                |
| <b>Ownership</b>  |  |                                    |
| 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. These include Organizational Development, Bookkeeping and Financial Consulting.





## About NEW

### HOW CAN WE UNLOCK THE POTENTIAL OF OUR MOST AUDACIOUS VISION OF A JUST AND THRIVING SOCIETY?

By working together to dismantle systems of oppression and build resilience.

By cultivating deep relationships and powerful learning communities.

NEW connects leaders and organizations with essential tools and services that free up focus for mission-related work. There is space for you here, whether you're a grassroots activist, an emerging or established nonprofit, a business, or an institution invested in social change.

Since 1993, we've adapted and evolved to meet the needs of the social sector. Over the years of our suite of services and support has culminated into today's offering:

- Organizational development consulting & peer guidance
- Support in back-office technology (IT) & finance
- Office and shared gathering space
- Leadership development through learning communities

At NEW, you'll find partners, approaches and conversations that uplift, improve and amplify your work. We're excited to join you for the next chapter of your journey to realize your vision!

### Our Mission

**NEW inspires and equips mission-driven people, organizations, and communities to realize their visions of a just and thriving society.**

### Our Vision

**Empowered leaders. Flourishing nonprofits. Vibrant communities.**

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