

Overview of

Fiscal Sponsorship

Program



TRANSFORMING THE FUTURE,
TOGETHER

NEW inspires and equips mission-driven people, organizations and communities to realize their visions of a just and thriving society. Whether you're an activist, a new nonprofit, or an institution invested in change - there's space for you here.

Since 1993, we've adapted and evolved to meet the needs of the social sector. We currently offer:
Organizational development consulting & coaching.
Support in back-office IT and finance. Office and shared gathering space. Learning communities that develop leaders.

At NEW, you'll find the partners, approaches and resources to transform your work.

We're excited to join you on this journey to realize your vision!



Table of Contents

About Our Programs	4
What Type of Fiscal Sponsorship is Right for You?	5
Program Comparison	7
Additional Services	9



Linda Tam, Chief Financial Officer

About Our Program

NEW's Fiscal Sponsorship program offers partnerships to a range of nonprofit projects working throughout the country. While NEW's work in our other programs is predominantly focused on SE Michigan, in fiscal sponsorship, mission fit and values alignment are more important than physical location. We only require that potential sponsorship partners investigate options geographically closer to their location and eliminate those possibilities prior to starting a discussion with NEW (Nonprofit Enterprise at Work).

Fiscal sponsorship is a legal relationship through which a 501(c)(3) public charitable organization -- like NEW -- sponsors an individual or group requiring the benefits of the tax-exempt, legal, and audit status of the sponsoring organization to realize a project.

NEW has provided fiscal sponsorship services to innovative and impactful projects and organizations since 2016.

NEW'S Fiscal Sponsor Program currently provides one type of fiscal sponsorship support to projects: Grantor-Grantee Sponsorship, also known as Model C Fiscal Sponsorship.

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
- 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
- Anticipate funding of \$10,000 or more

What Does Fiscal Sponsorship Involve?

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. NEW receives 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.

The fiscal sponsorship relationship is initially funding-specific and requires confident expectation of grant or other funding in the amount of \$10,000.00 within the first twelve months of the relationship. Following the initial period, the relationship may remain active so long as funding in any amount is expected.

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
- Limited fundraising support, including grant reporting guidance and an online donation page upon request.

The fee for most grantor-grantee fiscal sponsorship relationships is 5% of project funds. Projects hosted on Open Collective incur a 6% fee to offset platform expenses. In rare cases, projects requiring a higher level of support or expecting a high number of small donations on a regular basis may be asked to pay a fee of up to 7%.

Program Requirements

Project Leadership

Mission, vision, and programming **You lead.**

Communications and promotion **You do this.**

Financial Management

Budgeting and financial decision making **You lead and manage this.**

Bookkeeping, tax reporting, and compliance **You do this.**

Contributed revenues (tax-exempt) **We** receive, acknowledge, and track these.

Earned revenues (not tax-exempt) **You** receive and track these.

Bills and expenses **You** pay these.

Fund Development

Fundraising and donor management **You** do this.

Grant applications and reporting **You** do this with our input.

Insurance and Risk Management

General Liability Insurance **You** obtain and manage.

Workers' Comp Insurance (when applicable) **You** obtain and manage.

Employment

Selecting, hiring, & paying personnel **You** do this.

Contract management **You** do this.

Ownership

Intellectual or real property **You** own.

Supplies and equipment **You** own.

Additional Services

Communications Support

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

Other Services

Grantor/Grantee model sponsored projects may also benefit from NEW's other offerings, including Organizational Development, IT, Bookkeeping, and Financial Consulting, among other services.



Stay Connected!

We look forward to being on this journey with you!



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