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Fiscal Sponsorship Additional Resources

The National Council of Nonprofits does not serve as a fiscal sponsor; however, we've gathered resources for those exploring a fiscal sponsor relationship.

How does it work?

A project/organization identifies another nonprofit (one that is already tax-exempt and generally has a similar mission) to agree to serve as its fiscal sponsor, which means that it is agreeing to accept the administrative and fiduciary responsibilities of receiving charitable gifts on behalf of the sponsored project/organization.

- The fiscal sponsor must first determine that serving as a fiscal sponsor is consistent with its mission (and does not [jeopardize its own tax-exempt status](#)).
- Donations are made *to the fiscal sponsor*, not to the sponsored program/organization directly. Since the fiscal sponsor is tax-exempt, the donor's contribution will qualify as a deductible contribution.
- The fiscal sponsor then makes a "grant" to the sponsored project/organization.
- The fiscal sponsor is responsible for sending donors [gift acknowledgements](#) and for reporting the income and expenditures in its own financial records (such as the IRS Form 990). The sponsor is also responsible for serving as a fiduciary for

the contributions made to benefit the sponsored program, so honoring restrictions placed on the gifts by donors, and making prudent decisions about financial management and internal controls in connection with funds received, are all the responsibility of the sponsor.

- The sponsored project/organization is responsible for whatever recordkeeping and reports it agrees to provide to its sponsor and anything else that is documented as its responsibilities in any written agreement it has with the sponsor, or if the sponsored project is a corporate entity, any [legal filing obligations it may be responsible for under state law](#).

Looking for a fiscal sponsor?

- [Fiscal Sponsor Directory](#)
- [National Network of Fiscal Sponsors](#)
- [What is a fiscal sponsor? How do I find a fiscal sponsor?](#) (The Foundation Center)
- [Find the fiscal sponsor that fits](#) (Community Partners)
- Many community foundations are willing to serve as fiscal sponsors.
- Several organizations with experience serving as fiscal sponsors include: [TSNE MissionWorks](#); [Fractured Atlas](#) (sponsors artists and art organizations); [Visions Made Viable](#) (incubator for a wide variety of domestic and international projects and programs, many of them faith-based); [Social and Environmental Entrepreneurs](#) (sponsors programs focusing on social justice and ecological restoration); [Tides](#) offers a comprehensive fiscal sponsorship program for hundreds of projects around the world.

Practice Pointers

- Take advantage of the past experiences of fiscal sponsors described in the [Fiscal Sponsorship Field Scan](#), a report based on the first-ever survey of fiscal sponsors conducted by the *Tides Foundation*, that describes the fiscal sponsorship practices of over 200 fiscal sponsor relationships (2006).
- Eight trends in fiscal sponsorship [Fiscal Sponsorship: A 360 Degree Perspective](#) (Trust for Innovation Conservation)
- Willing to serve as a fiscal sponsor? Sign up through the [Directory](#).
- [On Comprehensive Fiscal Sponsorship](#) explains what should be included in a memorandum of understanding between a fiscal sponsor and the sponsored

organization (Third Sector New England)(see page 5).

- [The risks of being a fiscal sponsor](#) (Nonprofit Law Blog)

Additional Resources

- Our main [page on fiscal sponsorship](#)
- [Sample fiscal sponsorship agreement](#) (The Colorado Trust)
- [An Introduction to Fiscal Sponsorships](#) (Pro Bono Partnership)
- [Fiscal Sponsorship: Six Ways to Do it Right](#) (Gregory L. Colvin and Stephanie L. Petit) This third edition of the book describes six models of sponsorship that have been approved and accepted by the IRS.
- [Fiscal Sponsorship - Six Ways to Do it Wrong](#) (NonprofitLaw Blog)

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