



LENDING A *HELPING HAND* FISCAL SPONSORSHIP PROGRAM

FISCAL SPONSORSHIP POLICIES

1. Donations

A Charity for Charities (ACFC) will accept, process and acknowledge contributions to each project. This includes issuing individual receipts for tax deductions over \$75.00. Donations should be made payable to ACFC/Project Name and are tax deductible as allowed by law. It is not up to ACFC to meet with a project's donors and walk them through the paperwork. A Request to Deposit Form will accompany all checks from the project.

- (a) A project may receive commitment from donor prior to receiving funds. ACFC regards this as a statement of intention only, and will not enforce through legal action. The collection of funds donors have intended to contribute is the responsibility of the project and not ACFC.
- (b) ACFC does not disclose the identities of donors without their permission and recommends that projects do not publicly disclose a donor's identity.

2. Stock Donations

Stock gifts will be accepted only through ACFC's designated broker. All fees incurred during transfer process will be billed to the project.

3. Identification

All project materials and external communications must state the project is sponsored by ACFC using the following line: "XXXX, a project of A Charity for Charities."

4. Administrative Fees

A Charity for Charities will charge each project an administrative fee of 10% of gross receipts for the project's work (deducted from revenue upon receipt), with a minimum fee of \$1,000 per month. ACFC will review on a case-by-case basis to determine whether to waive the minimum fee.

- (a) The fee for administering grants from government entities or public agencies that requires more oversight is 15%.
- (b) In addition ACFC will retain one-half of all interest earned by a project's funds on deposit with ACFC.

5. Additional Services

A project may need services over and above those included in the regular administrative fee (i.e., legal advice, insurance coverage). Costs for these services will be charged directly to the project's fund. ACFC will advise the project when such charges are necessary.

6. Accounts Payable

ACFC will issue checks two times per month. A completed Charitable Distribution Request Form (CDRF) must be submitted five days prior to disbursement. The original invoice must be attached to the CDRF. It will be the responsibility of each project to submit a completed IRS Form W-9 for each new vendor.

Expense reimbursements payable to an individual will need additional approval by a second party.

- (a) Any agreement over \$10,000 shall require signatures by both a representative of the project and by an officer or CEO of ACFC.
- (b) ACFC will provide quarterly income and expense reports to the projects.

7. Reserves

Projects are required to keep an operating reserve of funds sufficient to cover two months of normal operating activity.

8. Cash Advances/Credit Accounts/Loans to Projects

Under no circumstances will ACFC advance money to projects. Deposited funds must be cleared by the bank prior to any requested disbursement which might take up to two weeks.

- (a) Project Directors may not incur debt beyond the project's ability to pay (defined by cash balances). Project Directors are personally liable for any excess.
- (b) Projects may not accept loans through ACFC.

9. Fiscal year

All projects must use a fiscal year ending June 30, 2007, which is the fiscal year for A Charity for Charities.

10. Term of Fiscal Sponsorship

The minimum term is one year but there is no limit on the time a project can remain. When a project ends, the assets will be transferred to an appropriate successor charitable organization

11. Fundraising

Regardless of who is conducting a fundraising event or other type of solicitation, if it is undertaken on behalf of a project of A Charity for Charities, the Internal Revenue Service and ACFC consider it to be conducted by A Charity for Charities. Fundraising events cause a number of significant tax and accounting issues to arise. ACFC will engage in special event fundraising for projects already established under a fiscal sponsorship arrangement. **Such events must be approved in advance with the express written approval of A Charity for Charities.**

- (a) Policies and Procedures for Fundraising Events and the Fundraising Proposal must be completed and submitted for approval (see downloadable form).

Under most circumstances, ACFC is not able to support, contribute funds to, or devote substantial staff resources to project-driven fundraising events. Under no circumstances will ACFC approve project-driven fundraising events that are primarily commercial in nature or that do not comply fully with all applicable legal requirements including but not limited to private inurement and excess benefit rules related to such events.

12. Volunteers

All volunteers or persons who provide services to the project without compensation must sign a volunteer release form available from ACFC.

- (a) A volunteer driving on business for the project must maintain personal auto liability insurance.

13. Lobbying

Projects are prohibited from lobbying or any other activities that could jeopardize ACFC's tax-exempt status.

14. Employees and Independent Contractors

If an individual meets the IRS definition of an employee, ACFC will not pay the individual as a contractor.

(a) Contracts with independent contractors are between the contractor and ACFC. Each contractor must sign an independent contractor agreement.

(1) If more than \$5,000 of services is provided by independent contractor in any calendar year, contractor must maintain at least \$1,000,000 in general liability insurance in addition to other insurance as required by law.

15. Payroll

Any request to add an employee to a project will be considered on a case-by-case basis.

16. Acknowledgment

I have received, understand and agree to the above listed policies of A Charity for Charities.

By: _____
Project Representative

Dated: _____