



### **What is a Fiscal Sponsorship?**

A Fiscal Sponsorship/Project Fund allows an organization (the “Fundholder”) to operate as a component fund under the umbrella of the Community Foundation of Greater Chattanooga (CFGC). This program is intended to help build capacity and to assist the organizations as they pursue sustainability and eventually obtain their own non-profit status, if appropriate. As your Fiscal Sponsor, the Community Foundation of Greater Chattanooga becomes the tax exempt organization that allows you to receive charitable contributions from individuals, foundations, corporations and government agencies that may not otherwise be available to you. Under the supervision of the Community Foundation of Greater Chattanooga, these contributions are used exclusively for charitable purposes. The Community Foundation also provides back office services to your organization (e.g. acknowledgement of tax-deductible donations as required by IRS, invoice payments, bookkeeping and IRS reporting requirements).

### **How much does the Community Foundation charge for this service?**

The fee to house a Project Fund at the Community Foundation is the greater of \$500.00 per annum or a 7% fee taken on incoming receipts to the Fund. All Fiscal Sponsorship Funds must be established with a minimum fund contribution of \$2,500 and will be assessed fees annually in accordance with the terms of the fund agreement.

### **What is the application process?**

If you are interested in applying for a Fiscal Sponsorship, please contact our staff at: [projectservices@cfgc.org](mailto:projectservices@cfgc.org). Following a consultation with a Community Foundation staff member, you will be sent a link to complete a Fiscal Sponsorship application. Upon submission, your completed application will be reviewed by our Fiscal Sponsorship committee and you will be notified regarding next steps.

### **How does it work?**

Donations are contributed to the Fiscal Sponsorship Fund at the Foundation. Donors receive a charitable tax deduction for their contribution. The Community Foundation will send tax-deductible acknowledgment letters as required by the IRS. Governed by the Fiscal Sponsorship agreement, all dollars in the Fund must be used toward a charitable purpose. You will have access to activity in your Fund online; transactions are posted within ten business days of the activity.

### **Can I engage in fundraising or marketing activities on behalf of my Project Fund?**

Yes, but they must adhere with the Community Foundation’s Policy on Marketing and Fundraising Activities. The Fundholder must read, sign and return a copy of this policy to the Community Foundation before the Fund can be established.



### **What services are provided to Fiscal Sponsors?**

- Acknowledgement of all gifts of \$250 and above
- Creation and maintenance of accounting records
- Quarterly Fund statements
- Payment of Foundation-approved invoices
- IRS compliance and reporting requirements (1099s)
- Use of tax exempt status to apply for grant funding (subject to Foundation approval)
- Project information on Foundation web site as well as a link from the CFGC website to a customized online giving portal where donations can be made to the project (if requested)
- Other services as negotiated

### **How are invoices paid?**

The Community Foundation processes checks weekly. Check requests must be submitted by Mondays at 10:00am in order to be processed that week. Payments are sent out by Friday. The check request form can be found on our website and can be submitted by email along with all supporting documentation to [projectservices@cfgc.org](mailto:projectservices@cfgc.org). All check requests must have the following:

- A clear business purpose stated on the form
- For reimbursements, proof of payment must be provided in the form of receipts or copies of checks
- An invoice and W9 Form for payment to first time vendors

### **What are the criteria to be eligible to be a fiscal sponsor of The Community Foundation?**

- Consult with Community Foundation staff
- Complete and submit the fiscal sponsorship application
- Fund must be established with a minimum contribution of \$2,500
- Your project must be charitable in nature

### **What does the Community Foundation of Greater Chattanooga require from me?**

The Fundholder is expected to maintain regular contact with the Community Foundation and notify the Foundation prior to any fundraisers, events and/or programs for approval. Prior to hosting a fundraising event, a signed copy of the Community Foundation's Policy on Marketing and Fundraising Activities must be on record and proof of liability insurance listing "The Community Foundation of Greater Chattanooga" as an additional insured submitted to the Community Foundation. In addition, all fiscal sponsors are required to complete an annual report and project budget.