



Fiscal Sponsorship: Who Does What?

Fiscal sponsorship is when an existing nonprofit offers its services, support, and tax-exempt status to a community group or collaborative that wants to create a new program, build community movement, launch an initiative, or otherwise affect change for the common good.

It's a mechanism to support people and organizations in creating new projects, without the need to create new nonprofits.

FISCAL SPONSOR

SPONSORED PROJECT

Provides use of 501(c)(3) status to project



Is required to inform donors that it does not have its own tax-exempt status



Receives and acknowledges charitable donations



Fundraises and establishes relationships with donors



Maintains authority and discretion over funds



Pays administrative fee to the sponsor and receives flow-through funds in return



Requests documentation to comply with fiscal oversight obligations



Provides documentation requested by sponsor



Communicates regularly with project



Communicates regularly with sponsor

