



## Fiscal Sponsorship Policy

The SouthWest Metro Educational Foundation (hereinafter the “Foundation”) may choose to provide fiscal and project sponsorship for the charitable activities of others when it determines that the accomplishment of those activities furthers the Foundation’s tax-exempt purposes.

Often beneficiaries of sponsorship services are new charities that have not yet received a determination from the Internal Revenue Service that are described in section 501(c)(3) and community groups planning a specific project that is clearly charitable in nature. However, the Foundation will consider sponsorships for individuals, businesses, and nonprofit organizations that are not described in section 501(c)(3), provided the proposed project clearly furthers the Foundation’s charitable purposes.

### **Procedures**

The Foundation will be guided by the following guidelines, which are designed to protect the interest(s) of both donors and the Foundation. The Foundation reserves the right to either accept or decline any fund. It also reserves the right to close out a fund. *The Foundation will consider each situation individually.* Exceptions to this policy may be made in extenuating circumstances and upon approval by the Foundation’s Board.

#### **Step 1: Project Proposal**

Interested groups must meet with the Foundation’s Executive Director to discuss the following: (a) description of the project; (b) its purpose, goals, and expected life span; (c) fundraising plans; (d) project budget; (e) capacity to achieve the purpose; and (f) other information. Supporting documentation will be provided to the Foundation upon request.

#### **Step 2: Fiscal Sponsorship Fund Agreement**

If satisfied the proposed project is a charitable activity and furthers the Foundation’s charitable purposes, the Foundation will execute a non-endowed fund agreement detailing all the terms and conditions of the Fiscal Sponsorship. This will include a description of the specific work to be performed by each party and how the project’s funds will be spent. The Foundation will then establish a temporarily restricted fund bearing the project’s name.

#### **Step 3: Board Approval**

The Foundation’s Board of Directors will review the fund agreement and decide whether to provide support to the project following presentation to the Board by the Project. Grants and expenditures will be limited to amounts contributed to the fund established for the project.

#### Step 4: Fundraising

The project may not begin fundraising until it has obtained the Foundation's approval of its fundraising plans. This includes the funding sources the project will approach, any fundraising events it plans to conduct, and all written fundraising and marketing materials. Checks should be payable to the SouthWest Metro Educational Foundation with the fund designated on the memo line. Subject to the Foundation's variance power, amounts contributed to the project's fund will be used only to support the project. The Foundation will provide donors with gift acknowledgements as appropriate.

#### Step 5: Grants & Expenditures

The Foundation is legally responsible for assets held in the project's fund and for ensuring that grants and expenditures to support the project are used only for charitable purposes. The Foundation assures programmatic oversight through the use of one or more main contacts recommended by the project.

#### Step 6: Reports

The Foundation will provide regular financial reports to each main contact. The project will make periodic written reports to the Foundation as requested. The project will prepare and submit to the Foundation drafts of any reports required by a project funder.

#### Publicity

Sponsored projects should acknowledge the Foundation's support in publications and news releases or stories. Similarly, the Foundation may give the project mention in the Foundation's newsletter(s) and annual report.

#### Fees

**Setup fee:** Upon acceptance, a project pays a **\$100 one-time setup fee** to offset costs of the onboarding process.

**Ongoing fees:** Our administrative fee is **3% of charitable funds** received by the project (we do not accept any non-charitable funds) and **\$25 bi-annual renewal fee**. These fund management fees cover management of accounts receivable (receiving and processing donations, including sending donor tax receipts), a monthly fund balance report, grants management, and support from experienced Foundation staff including one-on-one consulting and guidance as strategy and long-term goals are set.

The Foundation may also assess the fund to cover all expenses incurred that directly relate to the project (including credit card fees for using the Foundation's online and credit card donation portal) and any unusual expenses incurred in the administration of the fund.

*Approved July 23, 2019*