



CHARITABLE ALLIES, INC.

FISCAL SPONSORSHIP POLICY

WHEREAS, the Board recognizes the need for a policy to govern the fiscal sponsorship acts of Charitable Allies, Inc. (“Organization”), and the Board has discussed principles that should govern fiscal sponsorship. Accordingly, the Board hereby adopts and establishes the following Fiscal Sponsorship Policy:

Purposes

The purposes of this Policy are to protect the interest of Organization when it is contemplating providing fiscal sponsorship services to another organization (“Sponsored Organization”), as well as to ensure there are adequate definitions and procedures in place for such services. This policy is meant to supplement, but not replace, any applicable state and federal laws relating to fiscal sponsorship, as well as the Articles and Bylaws of the Organization.

Types of Fiscal Sponsorship

There are three general levels of fiscal sponsorship the Organization can/will provide to a Sponsored Organization:

(1) Basic Fiscal Support

- The Organization will receive grant funds under the Organization’s nonprofit status and transfer the funds directly to the Sponsored Organization while the application for tax-exempt status is in process with the IRS. During this time, the Sponsored Organization can receive tax-exempt donations, but some funders will only give money to organizations with their tax exemption complete.
- The Organization will receive and process all donations and provide donation letters, track funding, etc.
- The Organization accepts all liability for receipt and distribution of tax-deductible/preferred funds. The Organization is thus the grant recipient from a tax perspective and it is for the benefit of the Sponsored Organization’s program.
- The Organization will submit any grant or other donation reports necessary for funders under the Organization’s letterhead. The Sponsored Organization would prepare the reports; the Organization would do a review to ensure compliance.
- The Organization charges the Sponsored Organization 1-2% of the donations received for this service



(2) Full Fiscal Support

- Everything in (1), plus the Organization will transfer funds to the Sponsored Organization as appropriate, pursuant to standardized accounts payable processes and as program is delivered.
- The Organization will apply testing to ensure public support for the Sponsored Organization.
- The Organization will principally prepare financial grant reports and work with the Sponsored Organization on preparation of programming grant reports.
- The Organization will actively assist with preparation of grant applications and donor development planning. Depending on the level of complexity involved in the grant applications, the Organization may charge an additional fee for assistance in drafting these applications.
- The Organization charges 10-15% of donation amounts for these services.

(3) Full Fiscal Support+

- Full Fiscal Support+ involves all of the services in (2) plus strategic planning, program design, and development support. Essentially, the Organization would become the sponsored organization's fiscal sponsor and strategic business partner.
- The Organization charges 25% of the level of donations received for this level of support.

Requirements

The only types of fiscal sponsorship agreements the Organization will enter into are Basic Fiscal Support and Full Fiscal Support. The Organization will not perform Full Fiscal Support+. The Executive Director is fully authorized to enter into fiscal sponsorship agreements.

Prior to entering into any type of fiscal sponsorship arrangement, defined above, a written agreement outlining the responsibilities and obligations of both parties, as well as the administrative fee details, will be drafted and issued to both parties for review. Once signed by both parties, the agreement is legally binding.

Any and all fiscal sponsorship agreements entered into by the Organization prior to this policy's effective date shall now be ratified by the Board of Directors.