



BIVINS FOUNDATION FISCAL SPONSOR POLICY

The Mary E. Bivins Foundation will consider awarding a grant to an organization or project that has a fiscal sponsor. Important information regarding fiscal sponsorship is provided below. The items listed below must be provided along with any grant application that utilizes a fiscal sponsorship.

Fiscal sponsorship generally entails a nonprofit organization (the “fiscal sponsor”) agreeing to provide administrative services and oversight to, and assume some or all of the legal and financial responsibility for, the activities of a group (the “sponsored organization”). Related to grants, a fiscal sponsor is a 501(c)(3) nonprofit organization that provides fiduciary oversight, financial management, and other administrative services for another organization or project that does not have its own tax-exempt status with the Internal Revenue Service (sponsored organization).

Two things must be true in all fiscal sponsorship relationships. (1) The proposed work must be aligned with the fiscal sponsor’s charitable mission or purpose and (2) the fiscal sponsor must maintain full discretion and control over any awarded grant funds. Fiscal sponsors should have the organizational capacity to manage and accept the risks involved with fiscal sponsorship. Sponsored organizations must be qualified to carry out the proposed work or project.

Any grant approved will be made payable to the Fiscal Sponsor as the tax-exempt organization representing the sponsored organization. The Fiscal Sponsor assumes legal and financial responsibility for the grant funds and assumes fiduciary responsibilities for the project as though it were a project of the Fiscal Sponsor. It will be the Fiscal Sponsor’s responsibility to ensure that all reports and submissions are provided in a timely manner to MEBF for any grant that is approved. Therefore, it is extremely important that the Fiscal Sponsor and the sponsored organization have an agreement in place.

The Fiscal Sponsor must send in the following with any grant application:

1. The Fiscal Sponsor’s Letter of Determination from the IRS verifying its 501(c)(3) tax-exempt status
2. On agency letterhead, a letter signed by the Executive Director and Board President indicating the following information
 - a. Duration of the time of the relationship between the entities
 - b. Nature of the cooperative relationship between the entities
 - c. Willingness to administer the grant, if awarded
3. Copy of Board meeting minutes where the fiscal sponsor relationship was approved
4. List of Board members
5. Copy of current operating budget
6. Year-to-date financial statements (Both year-to-date Statement of Activities (income and expense) and year-to-date Statement of Financial Position (balance sheet))
7. Copy of most recent financial audit or IRS Form 990



8. A signed Fiscal Sponsorship Agreement outlining the terms of the fiscal sponsorship. **This document should contain all the following information:**
 - a. Date the fiscal sponsorship is effective
 - b. The roles and responsibilities of the Fiscal Sponsor
 - i. Acknowledgement regarding 501(c)(3) taking full legal liability for accounting for grant income and expenses and reporting on grant activities
 - ii. Specify that the fiscal sponsor is responsible for all legal compliance relating to receiving, reporting, and acknowledging charitable donations
 - c. The roles and responsibilities of the Sponsored Organization
 - i. Outline the details of the project management and related activities
 - d. Provide a detailed explanation of how the sponsored project constitutes a charitable endeavor as described in section 170(c)(2)(B) of the Internal Revenue Code. Please include a detailed description of the public benefit and an assurance that sponsored project representatives will not profit from the funded project
 - e. Statement prohibiting the use of funds for political campaigns on behalf of or in opposition to any candidate for public office
 - f. Details regarding management of Project Funds, including processing and acknowledgement of cash and noncash revenue items, accounts payable and receivable, disbursement of Project funds (including grants), bookkeeping and financial audits
 - g. Conditions for Termination of Agreement