

**SE UPLIFT'S FISCAL SPONSORSHIP PROGRAM
FOR NEIGHBORHOOD ASSOCIATIONS
- THE APPLICATION PROCESS -**

**Why Should Your
Neighborhood Apply For
Fiscal Sponsorship?**

- You can collect tax exempt donations from local businesses and neighbors
- You will be able to apply for grants requiring 501c3 status
- It's easy & you only have to apply once a year!

SE Uplift wants to encourage our neighborhood associations to fundraise and seek grants. However, we realize that the ability to do so is often limited by time and a lack of tax-exempt status. The problem is that most individuals and organizations are more inclined to contribute to a 501c3 nonprofit organization, so that their donation can be tax deductible.

That's where we come in. As your neighborhood coalition, SE Uplift offers fiscal sponsorship, which extends our tax-exempt status to NAs, as a solution to this fundraising challenge.

Our process for providing fiscal sponsorship is simple. Your neighborhood association just needs to fill out one application for all your expected projects and events for the year.

The following guide will walk you through the process and provide you with all the necessary forms.

PROCESS FOR OBTAINING FISCAL SPONSORSHIP:

- 1.** Read this guide, review the application, and check out the FAQs.
- 2.** Designate one person to serve as your NA's primary fiscal sponsorship coordinator. The coordinator should meet with your SE Uplift staff liaison to review the application process and begin brainstorming projects.
- 3.** At a neighborhood board meeting complete the fiscal sponsorship application.
 - a.** Brainstorm all the events / projects that your neighborhood might want fiscal sponsorship for during the year.
 - b.** Determine the types of fundraising efforts that each project will involve, the approximate dates of events, anticipated months for fundraising, and which projects will need a project specific coordinator.
- 4.** Submit the application through email, mail, or in person to: Ashe Urban, ashe@seuplift.org; 3534 SE Main St, Portland, OR 97214.
- 5.** The SE Uplift Executive Committee will review the fiscal sponsorship application at their next monthly meeting (3rd

**Role of Primary Fiscal
Sponsorship Coordinator**

- Work with your SE Uplift liaison and your board to complete the fiscal sponsorship application.
- Authorize all payment requests*
- Provide oversight for all fundraising activities

**Except for requests relating to projects that have project specific coordinators.*

**Which Projects Should Have
Separate Coordinators?**

- Projects that are seeking grants.
- Projects that anticipate a significant amount of fundraising and expenses.

Monday of the month).

6. Once your application is officially approved, your neighborhood's primary fiscal sponsorship coordinator and any project specific coordinators identified in the application will need to meet with staff to discuss the process for donations, reimbursements, etc. and to sign off on the fiscal sponsorship agreement.
7. Once the agreement has been signed, a designated account will be set up for your neighborhood association, with sub-accounts for each approved event/project.

FAQ:

Q: What is fiscal sponsorship?

Fiscal Sponsorship is the formal arrangement by which neighborhood associations are able to seek grants and solicit tax-deductible donations under SE Uplift's 501c3 tax-exempt status. As the fiscal sponsor, SE Uplift accepts financial donations on behalf of a neighborhood association for a specific project and is responsible for providing appropriate financial oversight, while the neighborhood association retains responsibility for implementing their project. Neighborhood associations must request reimbursement or submit invoices in order to access funds for pre-approved activities and expenses.

Q: Can we raise funds for general neighborhood expenses not associated with a specific project?

Yes, you will just need to include "general neighborhood association activities" as a separate project in your application. You will want to define what types or categories of expenses you will allow to come out of this account.

Q: What happens if we want to add a project for fiscal sponsorship at a later date?

You will need to fill out and submit an addendum form. The project will then need to be approved by our Executive Committee, which meets on the 3rd Monday of the month. Addendum forms need to be submitted a minimum of one month before fundraising for the new project begins.

Q: What if we don't know who the project coordinator is going to be for a project yet?

For most projects, we would like the project coordinator to be your neighborhood's primary fiscal sponsorship coordinator. The only exception would be when you are seeking a grant or anticipate a significant amount of fundraising. In these cases, you can leave the project coordinator blank and follow-up with SE Uplift once the project coordinator is identified. Please note you must notify SE Uplift with this information at least 2 weeks before any fundraising begins. All project coordinators are required to meet with SE Uplift staff to sign off on an agreement acknowledging understanding of donation and reimbursement processes.

Q: Can I start accepting donations and applying for grants using SE Uplift's tax ID # while I am waiting for my fiscal sponsorship application to be approved?

Absolutely not (sorry)! You cannot start soliciting donations until you have been approved for fiscal sponsorship by our Executive Committee and have signed off on an official agreement. SE Uplift can get in big trouble with the IRS if projects start raising money before they are officially recognized as fiscally sponsored, which is why this is never allowed under any circumstances.

Q: How detailed and complete does my application need to be?

Please provide as much detail as possible before submitting the application. We realize it may be difficult to know the exact date of all events and to identify project coordinators for large scale events early in the year, so we will accept applications with these elements pending. We do require that you notify us with this information at least 2 weeks before any fundraising begins. All project coordinators are required to meet with SE Uplift staff to sign a fiscal sponsorship agreement.

Q: Are there any fees associated with fiscal sponsorship for NAs?

Fiscal sponsorship services are offered to our neighborhood associations free of charge. We reserve the right to charge a fee in the event that the proposed project is particularly large and will require an extraordinary amount of staff financial management assistance.

**SE UPLIFT'S FISCAL SPONSORSHIP PROGRAM
FOR NEIGHBORHOOD ASSOCIATIONS
- HOW IT WORKS -**

FINANCIAL DONATIONS:

All financial donations must be deposited into your neighborhood association's fiscal sponsorship account at SE Uplift in order to be considered tax deductible.

Both cash and check donations can be accepted. Checks must be made payable to SE Uplift with a note indicating the neighborhood and event/ activity to direct funds towards. Donations can either be sent directly to SE Uplift or collected by your project coordinator and then submitted to SE Uplift. Incoming funds that do not identify a specific activity will be deposited into your association's general account.

At the end of each quarter, SE Uplift will mail project coordinators a financial report for each approved NA project. The report will detail incoming and outgoing fund activities for that quarter as well as the balance on the last day of that quarter.

IN-KIND DONATIONS:

In order for in-kind donations (tangible goods) to be considered tax deductible through fiscal sponsorship, they must be tracked and reported to SE Uplift on a quarterly basis. We have created a sample spreadsheet for you to use for this purpose.

Gift cards are handled similar to in-kind donations that you must track, however you will also be required to submit all receipts for purchases made with the donated card.

ACCESSING PROJECT FUNDS:

Contributions and grant money donated for your sponsored project(s) stay in a restricted account until you need it for project related expenses. Neighborhood associations must request reimbursement or submit invoices in order to access funds for pre-approved activities and expenses.

The project coordinator must authorize all financial requests with a signed reimbursement / check request form, which describes the expense. All requests must be accompanied by an invoice or receipt. Invoices for direct payment to a vendor must be provided on the official business / organizational letterhead; receipts must be on register tape from a vendor or be on official letterhead. Copies will be accepted.

DONATION ACKNOWLEDGEMENT:

SE Uplift will send out donation acknowledgement letters for all funds received for your project. The letter will be sent out within one week of receipt and will serve as both a thank you and a receipt for the tax deductible donation. The donor can then use this letter as proof of the donation and right to a tax deduction through SE Uplift.

SE Uplift will send a general donation acknowledge letter to donors that indicates your project name. Project coordinators are welcome to send SE Uplift a paragraph or two to include that is specific to your project as well.

Once a quarter, SE Uplift will send you a financial report as well as a letter listing all donations by name and amount. Additional information such as donor addresses will be made available upon request.

FAQ:

Q: Why do financial donations have to be deposited at SE Uplift?

In accordance with the IRS, when SE Uplift serves as your fiscal sponsor, we become legally responsible for ensuring that all funds received for your projects are used appropriately and for the intended purposes.

Q: What types of donations can you process?

SE Uplift can accept cash and check donations for your project, as well as financial contributions through our PayPal account.

Q: Can we use funds donated for one project on a different or alternative project?

No. Legally, SE Uplift is required to ensure that donations made on a project's behalf are used towards those intended activities. If a project cannot fulfill its plans, funds will either need to be returned to donors or used on a similar project that fulfills the same purpose. Alternatively, you could get permission from each donor to reallocate the funds for another project.

Q: How do I pay for expenses?

Project expenses will either need to be paid out of pocket by project volunteers and then reimbursed by SE Uplift; or the project coordinator can work with a vendor to produce and submit an invoice to SE Uplift so that funds can be paid directly to the vendor. In either instance, the project coordinator must submit a reimbursement/check request form along with the accompanying receipt(s) or invoice.

Q: How long will it take to access project funds from SE Uplift?

SE Uplift will process reimbursement/check requests once a week. After the request is received, checks will be sent out within 7 days of receipt.

Q: How should I send updated information for our projects, like the date of the event and project specific coordinator information?

Once your NA identifies event dates and new project specific coordinators you should contact SE Uplift's Fiscal Sponsorship Manager, Anne Dufay, at anne@southeastuplift.org or 503-232-0010 x 311. For new project specific coordinators, you will be required to review and sign an agreement as well.

Q: What types of donations does the IRS consider tax deductible?

The following answer is offered only as general information with respect to some of the most common issues and is not comprehensive.

Type of Transaction:	Deductibility
Donation of Money	Fully Deductible: When a donor gives money to a charity and receives nothing in exchange for the gift, that donation is fully tax deductible to the extent permitted by the law.
Donation of Tangible Goods	Fully Deductible: When a donor gives tangible goods, the donation is tax deductible based on the donor's estimate of the item's value.
Purchase of Benefit Tickets, Auction Items, etc.	Partially Deductible: When a donor gets something in exchange for their contribution, they are only entitled to a tax deduction for the amount contributed in excess of what the donor received in exchange.
Donation of Services	Never Deductible: When a donor gives pro-bono services, the donation is not considered tax deductible according to the IRS.