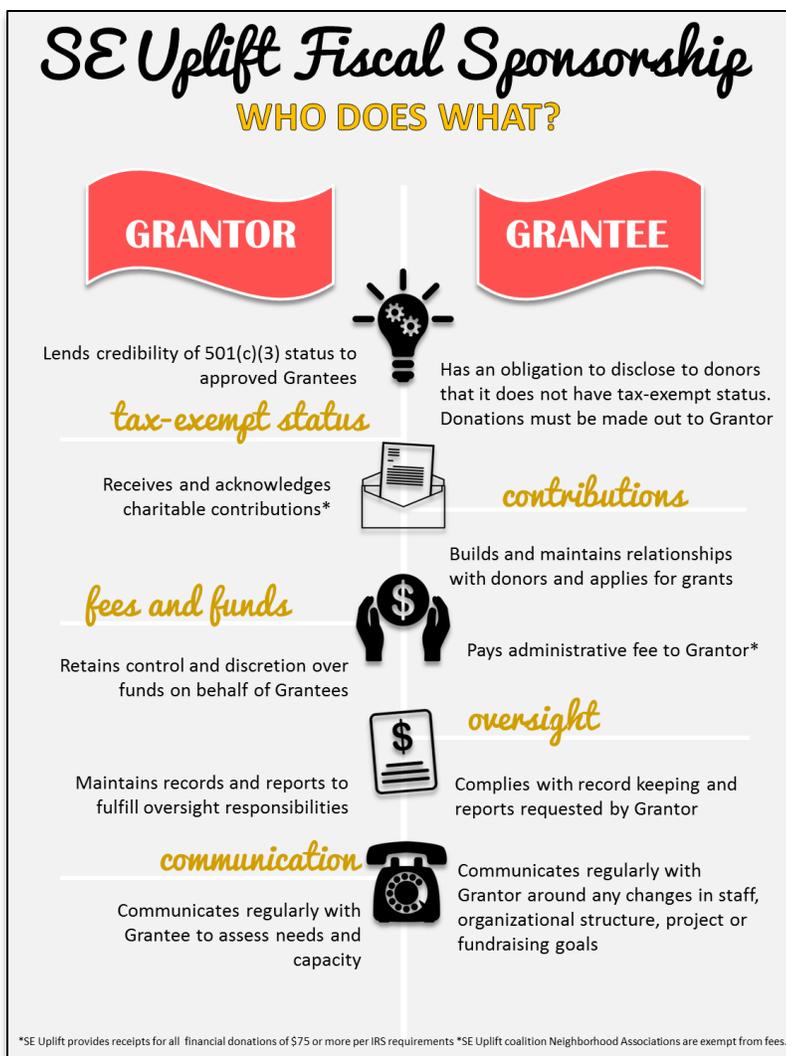


## FISCAL SPONSORSHIP & FINANCIAL POLICIES FAQ

### GETTING STARTED:

#### Q: What is fiscal sponsorship?

Fiscal sponsorship can simply be defined as the practice of non-profit organizations extending their legal and tax-exempt status to groups engaged in activities related to the sponsoring organization's mission. The fiscal sponsorship relationship must be formally outlined in a mutually agreed upon contract, signed by the 'Grantor,' in this case SE Uplift, and the 'Grantee,' in this case neighborhood associations (NA) or other groups that bear compatible missions.



Nonprofits pledge to be faithful stewards of public funds. That means they have an obligation to make the most of every cent, comply with applicable regulations, and maintain proof that they are doing what they say they are doing with various donated items and money. Everyone plays a part in ensuring that donations made in support of organizations, causes and projects are used as each donor intends them to be used. When we are transparent with how donor dollars are used, we not only underscore our commitment to accountability, but we also strengthen our donors' trust and our organization's future.

At a minimum, SE Uplift, as the Grantor, will collect all pertinent information and records. It will approve all financial expenditures, and all significant decisions in running the project, and have the power to terminate the relationship if the Grantee engages in any activity that jeopardizes our tax-exempt status. It is

illegal for a Grantor to take funds and simply pass them through to a Grantee. The project funds (grant, donations, etc.) belong to the Grantor and the Grantee must request reimbursement or direct payment to a vendor in order to access monies for pre-approved activities and expenses.

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

No. SE Uplift will be out of compliance with IRS rules if Applicants start raising money before they are officially recognized as fiscally sponsored Grantees, 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. It may be difficult to know the exact date of all events/projects. Consider listing a more broad date range (like Spring, or Fall) instead of an exact date. Project purpose and goals should always be included.

**Q: Are there any fees associated with fiscal sponsorship?**

Fiscal sponsorship services are offered to neighborhood associations within SE Uplift Neighborhood Coalition free of charge. All other groups will be charged a 7.5% administrative fee, unless they establish their project as a project of a neighborhood association.

**Q: What does being a project of the neighborhood association entail?**

In order to become an official project of a neighborhood association, Grantees need to establish a meaningful and fully integrated relationship as outlined below:

- NA is the contractual Grantee
- The project - its scope, coordinator and estimated expenses - must be formally voted on and approved as a project of the neighborhood association and reaffirmed annually.
- The project coordinator must keep close contact with the NA board, communicating regularly regardless of level of activity, giving frequent updates to the neighborhood and ensuring the board has appropriate oversight of the project.
- The project must be self-recognized as a project of the NA in all outreach materials.
- The project must thank all donors on behalf of the NA, as the contractual Grantee.
- The NA must acknowledge and promote the project in their communications including, but not limited to: website, social media, (e)newsletters and at meetings and public events, when/wherever relevant and possible.

**Q: Are there other ways a Project can ensure a meaningful relationship with their neighborhood association?**

Yes, you can:

- Help promote other activities and events of the NA and use this as an opportunity to boost project presence with neighborhood-related content.
- Work with the NA to recruit new volunteers; building a support network and securing future stewards for the project.
- Regularly ask the NA board members and general membership if they would like to be involved with the project (long term, or short term) - and help make sure they get

plugged-in in meaningful ways, with specific tasks. Use this as an opportunity to create long-term buy-in for the project.

- Ask the NA to table at project events. Good visibility for the NA means more opportunities to plug the community back into the project.

**Q: Can funds be raised for general expenses not associated with a specific project?**

Yes, Applicants will just need to include “general activities” as a separate project on the application. Grantees will want to define what types or categories of expenses they will allow to come out of this account.

**BE careful WHEN SPEAKING TO A POTENTIAL DONOR** ● Funds must be used as specified to the donor, so you'll need to avoid highlighting a single activity if funds are going into a general account that may ultimately be used for a wide range of purchases.

<p>“Enjoy having snacks and drinks at our meetings? Love our annual Movies in the park? Like seeing neighbors advocate for our needs? Consider donating to your neighborhood’s general activities fund!”</p> <p>-or-</p> <p>“Support our neighborhood by donating to our general fund!”</p> <p><b>YES</b></p>	<p><b>NO</b></p> <p>“Enjoy having snacks and drinks at our meetings? Consider donating to your neighborhood’s general activities fund!”</p> <p>-or-</p> <p>“We are raising funds for newsletter printing costs, would you consider donating to our general fund?”</p>
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**Q: Can additional projects be submitted for fiscal sponsorship at a later date?**

Yes, Grantees will need to fill out and submit an addendum to their application. The addendum will then need to be approved both by the Grantee’s board or leadership and SE Uplift’s Executive Committee.

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

Project coordinators should be identified at the time the application is submitted. All project coordinators are required to meet with SE Uplift staff to sign off on an agreement acknowledging understanding of donation and reimbursement processes before fundraising activity of any kind can begin. If an Applicant is unable to identify a project coordinator for a project, they are encouraged to contact [katy@seuplift.org](mailto:katy@seuplift.org) to discuss the possibility of moving forward.

**Q: Do we need to acknowledge SE Uplift as a sponsor on outreach materials?**

Yes. SE Uplift does require a minimal amount of recognition on materials as a part of the fiscal sponsorship policies. Grantees will be provided a guidance document outlining expectations for acknowledgement once they have been formally accepted to the program.

**THIS PROJECT BROUGHT TO YOU BY**  
*The Stumptown Neighborhood Association*  
Sponsored by SE Uplift

**Q: Do we need to renew our fiscal sponsorship with SE Uplift?**

Yes. Grantees will need to apply for renewal on an annual basis and sign updated agreements and policies.

**Q: How should I notify SE Uplift of project information, like the date of an upcoming event and changes in project coordinator information?**

Grantees are required to contact SE Uplift’s Fiscal Sponsorship Manager in the case of changes to your program, including project coordinator contact information, scope of project, etc. We’d also like to hear about upcoming events so we can promote your great work!

Katy Asher  
Fiscal Sponsorship  
[katy@seuplift.org](mailto:katy@seuplift.org)  
(503)232-0010 x 319

## **Financial Policies FAQ**

### **Financial Donations**

All financial donations must be deposited into the Grantee’s fiscal sponsorship account at SE Uplift in order to be considered tax deductible. Cash, online and check donations are accepted. **Checks must be made payable to SE Uplift with a note in the memo line indicating the benefiting organization and project.** Donations can either be sent directly to SE Uplift or collected by your project coordinator and then submitted to SE Uplift.

### **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. If the Grantee is receives a gift card as a donation, the card must be tracked with the in-kind donations and all receipts for purchases made with the card must be submitted.

### **Accessing Project Funds**

Contributions and grant money donated to fiscally sponsored project(s) stay in a restricted account(s) until needed for project-related expenses. In order to access funds, project coordinators must request reimbursement or direct payment in order to access funds for pre-approved expenses.

Volunteers may choose to pay expenses up front and then have the project coordinator submit a receipt and reimbursement form to receive reimbursement, or the project coordinator may submit an invoice to have SE Uplift pay the vendor directly. Project coordinators must authorize all expenses, and do so by submitting a Payment/ Reimbursement Request Form along with backing documentation (receipts or invoices).

### **Donation Tracking & Reports**

SE Uplift will generate and deliver a quarterly report to project coordinators with a project balance, total expenses and a list of all donations received during the quarter, including the date, amount, name and address of each donor.

Project Coordinators are responsible for tracking income and expenses to the best of their ability and must immediately report any discrepancies found in SE Uplift's accounting.

### Donation Acknowledgment

It is mandatory to acknowledge any donation with a thank you letter or receipt that includes SE Uplift's tax ID. SE Uplift offers the option of having our staff send donors a receipt for donations received in the amount of \$75 or more. For donations less than \$75, we recommend that project coordinators send letters on an as-needed basis or once per quarter. All projects are required to thank donors on behalf of the Grantee. For example: *"On behalf of the Stumptown Neighborhood Association, our picnic Committee would like to thank Fred Meyer for their contribution..."*

We want to say **"Thank You!"** on behalf of  
The Stumptown Neighborhood Association

We provide a pre-formatted donation letter

template to new project coordinators and can discuss more personalized options if needed.

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

In accordance with the IRS, when SE Uplift serves as a fiscal sponsor, we become legally responsible for ensuring that all funds received on behalf of projects are used appropriately and for the donor-specified purposes. Therefore, all funds must come to us and be tracked in our accounting systems.

### Q: What types of donations can you process?

SE Uplift can accept the following types of donations on behalf of Grantees:

- Cash
- Check\*
- Paypal\*

\*Checks must be made out to SE Uplift with benefiting organization/ project indicated in the memo line.

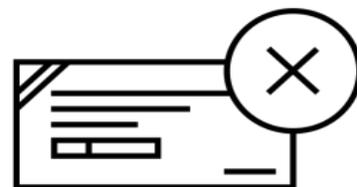
\*Paypal currently charges a 2.2% administrative fee.

### 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 Grantee cannot fulfill their project plans, funds will either need to be returned to donors or used on a similar project that fulfills the same purpose. Alternatively, Grantees would need to acquire permission from each individual donor to reallocate the funds for another project.

### Q: How do I pay for expenses?

Project volunteers will pay out-of-pocket and submit a request for reimbursement along with receipts to SE Uplift, or the project coordinator may submit an unpaid invoice and request that SE Uplift pay the vendor directly. In both instances, the project coordinator must authorize all expenses by submitting a Payment/Reimbursement Request Form along with the backing documentation described.



**Cancelled/copies of checks cannot be accepted as proof of payment.**

- We need to see a receipt or paid invoice in order to reimburse project volunteers.
- We cannot accept cancelled checks alone as proof of payment. If a receipt or paid invoice is unavailable, please contact [katy@seuplift.org](mailto:katy@seuplift.org) to discuss options.

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

SE Uplift will pay all authorized requests as quickly as possible and in no more than 30 days of receipt.

- Check requests are submitted to our CPA once a week. Checks are delivered to SE Uplift the following Monday morning.
- Requests submitted after noon on Thursday will be processed the following week.
- All checks exceeding \$500.00 require two signatures, one from the SE Uplift Executive Director and one from a SE Uplift board officer, and may take more than a week to acquire.
- Checks will be mailed immediately once they have been processed and signed, unless other arrangements have been made.

**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. If Applicants/Grantees have any further questions they are encouraged to contact a tax attorney and seek legal advice.

Type of Transaction:	Deductibility
Donation of Money	<b>Fully Deductible:</b> 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	<b>Fully Deductible:</b> 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.	<b>Partially Deductible:</b> 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	<b>Never Deductible:</b> When a donor gives pro-bono services, the donation is not considered tax deductible according to the IRS.

**Q: How does the IRS track income generated through fiscal sponsorship?**

As a Federally recognized Oregon Non-Profit Corporation, SE Uplift will file Form 990, an annual reporting return, with the IRS, including funds held in fiscal sponsorship accounts. The form provides information on the filing organization’s mission, programs, and finances and provides the public with financial information about the organization. It is also used by government agencies to prevent organizations from abusing their tax-exempt status. If SE Uplift fails to file this form or if the IRS finds discrepancies, SE Uplift could have its non-profit tax-deductible status revoked and suffer monetary penalties. Grantees should *not* include funds held in their accounts with SE Uplift in their state or federal reporting.