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FISCAL SPONSORSHIP: HANDBOOK & APPLICATION

Why Apply For Fiscal Sponsorship?

- **Collect tax exempt donations**
- **Apply for grants requiring 501c3 status**
- **Receive administrative & project support**

SE Uplift wants to encourage our neighborhood associations, community lead projects and organizations* 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. 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 other groups doing work that meets our mission, as a solution to this fundraising and grant-seeking challenge.

Fiscal sponsorship is simple. Your organization just needs to fill out one application for all its projects that would benefit from tax-exemption.

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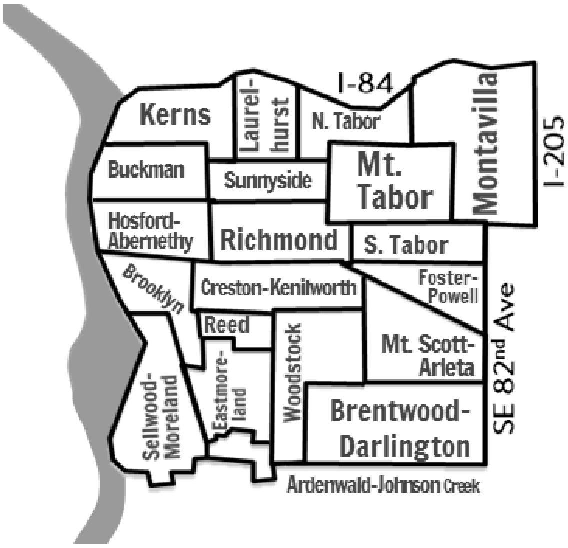
APPLYING FOR FISCAL SPONSORSHIP

Projects seeking Fiscal Sponsorship from SE Uplift must take place within coalition boundaries and fit within SE Uplift's mission: "To collaborate with the SE Portland community to build informed, inclusive, and participatory neighborhoods that support our social and ecological well-being."



The application process can take up to two months and includes the four steps identified below. The SE Uplift Fiscal Sponsorship Handbook and Application are designed to make applying for fiscal sponsorship easy.

Step 1 Review full handbook and application.

Step 2 Complete and approve application for fiscal sponsorship, including Project Inventory and Statement of Intent, Project Summary and Expense Worksheet.

a. Brainstorm all events and/or projects that the applying organization might want fiscal sponsorship for in the coming year.
b. Identify project coordinators, types of fundraising efforts that each project will involve, the approximate dates of events, anticipated months for fundraising and estimated expenses.
c. Fill out the application, including the Project Inventory and Statement of Intent, Project Summary and Expense Worksheet(s).
d. Vote! Applications must be approved by the applying organizations board or leadership (if not a formal body).

Step 3 Upon approval of your board and/or leadership submit the full application to gaby@seuplift.org for review by SE Uplift's Executive Committee.

Step 4 If approved and accepted as a Grantee and fiscally sponsored project of SE Uplift, all project coordinators, and anyone needing access to the SE Uplift tax ID or authority to submit expenses/reimbursements, must sign agreement and policies before fundraising activity can begin.

Note: Only after steps 1-4 are complete may a Grantee or any of its fiscally sponsored project(s) use SE Uplift's Tax ID. All necessary paperwork, including the donation receipt will be emailed.

Step 1	Step 2	Step 3	Step 4	Step 5
Review the application and be prepared to start brainstorming events and projects.	Complete the application for fiscal sponsorship and vote to approve.	Submit the completed application to be reviewed by SE Uplift's Executive Committee.	Anyone fundraising or authorizing reimbursement must sign the agreement.	Start fundraising! Supporting documents will be emailed to project coordinators!

FISCAL SPONSORSHIP APPLICATION FAQ

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 or other groups that bear compatible missions.

At a minimum, 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 its 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 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.

YES

"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!"

-or-

"Support our neighborhood by donating to our general fund!"

NO

"Enjoy having snacks and drinks at our meetings? Consider donating to your neighborhood's general activities fund!"

-or-

"We are raising funds for newsletter printing costs, would you consider donating to our general fund"?

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. If the Applicant is unable to identify a project coordinator for a project, they are encouraged to contact gaby@seuplift.org to discuss the possibility of moving forward with submitting their application, despite the missing element.

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.

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 would be out of IRS compliance if Applicants started raising money before they were 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, so applications with this element pending may be accepted. However, project purpose and goals should always be included.

Q: Are there any fees associated with fiscal sponsorship?
Fiscal sponsorship services are offered to SE Uplift Coalition neighborhood associations 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 neighborhood association 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 neighborhood association in all outreach materials.
- The project must thank all donors on behalf of the neighborhood association, as the contractual Grantee.
- The neighborhood association 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 neighborhood association and use this as an opportunity to boost project presence with neighborhood-related content.
- Work with the neighborhood association to recruit new volunteers; building a support network and securing future stewards for the project.
- Regularly ask the neighborhood association 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 neighborhood association to table at events. Good visibility for the neighborhood association means more opportunities to plug the community back into the project.

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.

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.

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

FINANCIAL POLICIES OVERVIEW: HOW IT WORKS

Introduction
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 donors intended.

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.

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. Project coordinators must request reimbursement with a receipt or submit invoices for direct payment in order to access funds for pre-approved expenses.

Project expenses will either need to be paid out of pocket by volunteers and then submitted for reimbursement with a receipt, or the project coordinator may submit an invoice to have SE Uplift pay the vendor directly. <u>Project coordinators must authorize all expenses by submitting a Payment/Reimbursement Request Form along with backing documentation.</u>

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.

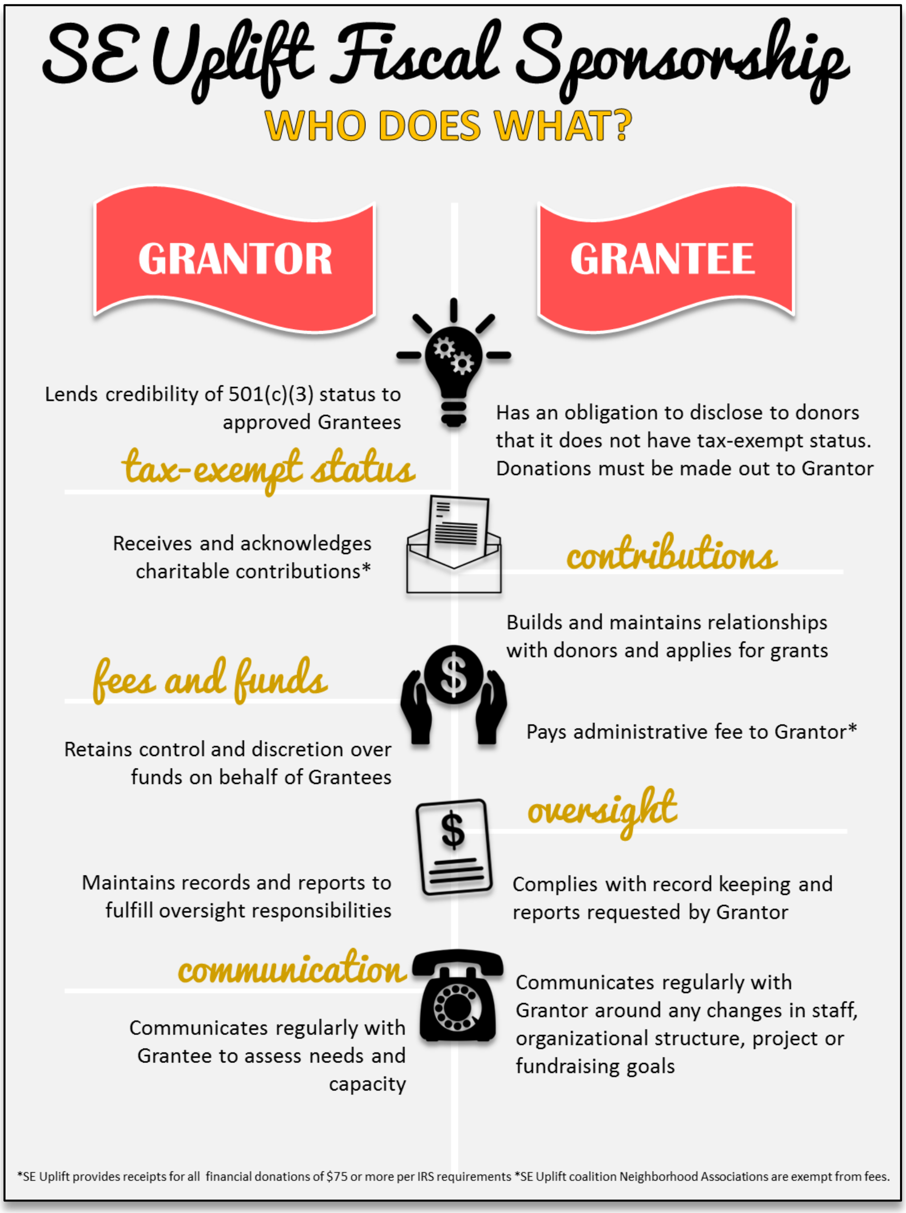
Donation Acknowledgment
It is mandatory to acknowledge any donation with a thank you letter or receipt that includes SE Uplift's tax ID. SE Uplift recommends either sending letters on an as-needed basis or once per quarter. All projects are required to thank donors on behalf of the Grantee.

> *"On behalf of the Stumptown Neighborhood Association, the The Stumptown picnic Committee would like to thank Fred Meyer for their contribution…"*

To secure a donation letter-template or to discuss further options, please email gaby@seuplift.org

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

FINANCIAL POLICIES FAQ



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, they become legally responsible for ensuring that all funds received on behalf of projects are used appropriately and for the donor specified purposes.

Q: What types of donations can you process?
SE Uplift can accept the following types of donations on behalf of Grantees:

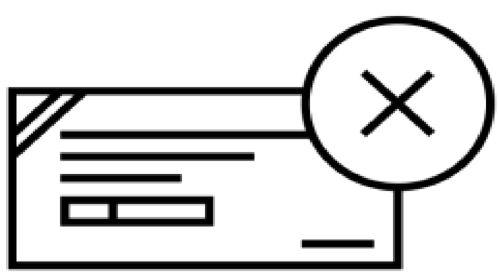
- Cash
- Check*
- Paypal*

*Paypal charges a 5% administrative fee
*Checks must be made out to SE Uplift with benefiting organization/project indicated in the memo line

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 could get permission from each donor to reallocate the funds for another project.

Q: How do I pay for expenses?
Project expenses will need to be paid out-of-pocket by project volunteers and submitted for reimbursement to SE Uplift, with receipt(s), or the project coordinator may submit an unpaid invoice and request SE Uplift pay the vendor directly. In either instance, the project coordinator must authorize all expenses by submitting a Payment/Reimbursement Request Form along with the backing documentation described.

SE Uplift cannot accept cancelled checks alone as proof of payment. If a receipt or paid invoice is unavailable for reimbursement, please contact gaby@seuplift.org.



Cancelled/copies of checks will not be accepted as proof of payment.

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 the 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: How should I notify SE Uplift of updated project information, like the date of the event and project coordinator information?
Once event dates and new project coordinators are identified, Grantees are required to contact SE Uplift. Only after we review and sign paperwork can fundraising activity begin or funds can be accessed.

Gaby Saldana-Lopez
Fiscal Sponsorship
gaby@seuplift.org
(503)232-0010

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	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.

Q: How does the IRS track income generated through fiscal sponsorship and why?
As a Federally recognized Oregon Non-Profit Corporation, SE Uplift must 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 negates to file this form or if the IRS finds discrepancies, SE Uplift could have its non-profit tax-deductible status revoked and monetary penalties may ensue.

*Grantees should not include funds held in their accounts with SE Uplift in their state or federal reporting.

PROJECT INVENTORY AND STATEMENT OF INTENT

Applicant Organization Name: ____

Please list each project applying for fiscal sponsorship in the table below. The project inventory should match the projects included in the Summary pages.

	List all projects being submitted for fiscal sponsorship
1	
2	
3	
4	
5	
6	

Fiscal Sponsorship Application Check List
☐ Project Inventory and Signed Statement of Intent
☐ Approved Project Summary
☐ Approved Expense Worksheet for each project

_________________________________ (Applicant) wishes to submit the projects indicated above for fiscal sponsorship with SE Uplift Neighborhood Coalition.

We have reviewed the information provided in the Handbook and the attached application was approved by our board/leadership on ______________________________ (date).

Signature: _______________________________________ Date: ________________

PROJECT SUMMARY

SE Uplift charges a 7.5% administrative fee to serve as fiscal sponsor for projects not led by one of our neighborhood associations.

☐ **Check this box if you are applying on behalf of a neighborhood association. Neighborhood association projects will not be charged an administrative fee.**

☐ **Check this box if you are not applying on behalf of a neighborhood association.**

Applicant: ____ Date: _____________________

Please provide details for each project your organization would like to receive fiscal sponsorship for in the coming year (add lines for events/activities as needed or complete on a separate page).

1. Event/activity:____
    - Brief description and purpose. Please include a clear description of how this project will benefit and serve the mission of your organization:
    - Types of fundraising efforts (seeking in-kind donations like refreshments, soliciting financial donations from neighbors, applying for grants, etc.):
    - Date for event/project culmination and anticipated months of fundraising activity: ___________________
    - Project coordinator_____________________________

    Phone___________________Email_____________________________

2. Event/activity:____
    - Brief description and purpose. Please include a clear description of how this project will benefit and serve the mission of your organization:
    - Types of fundraising efforts (seeking in-kind donations like refreshments, soliciting financial donations from neighbors, applying for grants, etc.):
    - Date for event/project culmination and anticipated months of fundraising activity: ___________________
    - Project coordinator_____________________________

    Phone___________________Email_____________________________

3. Event/activity:____
   - Brief description and purpose. Please include a clear description of how this project will benefit and serve the mission of your organization:

   - Types of fundraising efforts (seeking in-kind donations like refreshments, soliciting financial donations from neighbors, applying for grants, etc.):

   - Date for event/project culmination and anticipated months of fundraising activity: ____________________

   - Project coordinator_________________________________

   Phone____________________Email_________________________________

4. Event/activity:____
   - Brief description and purpose. Please include a clear description of how this project will benefit and serve the mission of your organization:

   - Types of fundraising efforts (seeking in-kind donations like refreshments, soliciting financial donations from neighbors, applying for grants, etc.):

   - Date for event/project culmination, if known, and anticipated months of fundraising activity:

   - Date for event/project culmination and anticipated months of fundraising activity: ____________________

   - Project coordinator_________________________________

   Phone____________________Email_________________________________

EXPENSE WORKSHEET

<u>Please use this expense worksheet to estimate your annual costs and in-kind donations. Each project included in the application must be accompanied by its own Expense work sheet</u>. Each worksheet must be approved by Grantee's board or leadership. Items may be grouped together (e.g. "painting supplies" as opposed to: paint and brushes, etc., as separate items).

Project: ______

	Budget Item Description	Estimated cost	Will Seek In-Kind Donations (goods and/or Services) to cover cost
Personnel (Contracting for professional services, participant stipends, etc.)			Yes / No
			Yes / No
			Yes / No
Supplies & Materials (Painting supplies, wood, etc.—the materials needed to complete the project.)			Yes / No
			Yes / No
			Yes / No
Outreach & Publicity (Flyers, brochures, mailings, etc.)			Yes / No
			Yes / No
			Yes / No
Event Related Expenses (Renting table/chairs, food, paper cups, etc.)			Yes / No
			Yes / No
			Yes / No
Permitting & Fees (Reserving park space, noise variances, street closures, etc.)			Yes / No
			Yes / No
			Yes / No
Other			Yes / No
			Yes / No
Subtotals			
Administration* (Fiscal sponsorship, insurance, etc)			
TOTALS			

*SE Uplift charges a 7.5% administrative fee to serve as fiscal sponsor for all projects not led by neighborhood associations. Please budget accordingly.