

# Bush Foundation Fiscal Sponsorship Overview

Effective January 2014

A *Fiscal Sponsor* is an organization with a 501(c)(3) public charity tax status or a public agency/unit of government that agrees to receive and disburse funds for another organization's or group's project. The project must further the *Fiscal Sponsor's* own charitable mission.

The organization or group that the *Fiscal Sponsor* chooses to support to carry out the project is called the *Sponsored Project*.

Please note that fiscal agency is not the same thing as fiscal sponsorship. The Bush Foundation does not fund fiscal agency agreements.

Some instances where an organization or group may partner with a *Fiscal Sponsor* include:

- A new organization that does not yet have its 501(c)(3) public charity tax status.
- A 501(c)(3) public charity that does not have the capacity to manage the financial aspects of a grant.
- A collaborative working together on a specific project, but the collaborative is not a legal entity and/or does not have 501(c)(3) public charity tax status, and one of the partner organizations (which does have 501(c)(3) public charity tax status or is a public agency/unit of government) is not willing to serve as the grantee.

The *Fiscal Sponsor* assumes fiscal, legal, programmatic and administrative responsibility for the project and is considered the applicant organization.

All information requested in the grant application for the applicant organization is that of the *Fiscal Sponsor*.

The Bush Foundation requires the *Fiscal Sponsor* (the applicant organization) to attach a written, signed fiscal sponsorship agreement when submitting a grant application.

If a grant is awarded by the Bush Foundation, the *Fiscal Sponsor* will be the grantee and will sign the Bush Foundation's grant agreement, and will be responsible for all of the terms within it.

The *Fiscal Sponsor* will be listed as the grantee on the Foundation's website.

**We invite you to use the following resources to learn more about fiscal sponsorship:**

- [National Network of Fiscal Sponsors](#)
- [The Tides Center](#)
- [Springboard for the Arts](#)

**We look for the following elements in a fiscal sponsorship agreement:**

- Verification that the *Sponsored Project's* program furthers the *Fiscal Sponsor's* exempt purposes, preferably determined through Board action
- A statement that the *Fiscal Sponsor* retains complete discretion and control over the use of funds and is not legally required to distribute funds for the benefit of the *Sponsored Project*
- Administrative fee, if any, charged to the *Sponsored Project*

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- Certification that funds for the *Sponsored Project* will be held in a designated / restricted account, and information on how those funds can be accessed and who can do so
- Who is responsible for:
  - Fundraising, and any guidance for doing so
  - Filing reports to donors
  - Filing taxes
  - Paying expenses
  - Maintaining insurance
- Ancillary / support services provided (e.g., accounting, grants management, meeting space, photocopying, printing, postage, group purchasing, marketing)
- Any required project reporting from the *Sponsored Project* to the *Fiscal Sponsor*
- Required record retention
- Other legal matters:
  - How conflicts are resolved
  - How amendments to the agreement are handled
  - Dates or timeframe for the sponsorship; termination provisions
  - What happens if sponsored organization is dissolved
  - Any restrictions on lobbying or political activity
  - Intellectual property and ownership rights