



About Fiscal Sponsorship

Fiscal Sponsorship is a partnership arrangement, in which a 501(c)3 nonprofit (“the fiscal sponsor”) sponsors a project so the project can access grants and tax-deductible contributions. At the Alaska State Council on the Arts (ASCA), we have grant programs which may accept applications from fiscally sponsored groups, with an eligible fiscal sponsor organization. Where this is the case, the grant program will indicate that fiscally sponsored groups may be considered, within the grant program guidelines.

ASCA recognizes that not all arts and culture groups in our state are organized nonprofit, tax exempt, 501(c)3 organizations, though are otherwise guided by arts and culture mission and purpose. For example, some organizations/groups are organized and registered as nonprofit corporations within the State of Alaska, but do not have a determination letter from the Internal Revenue Service as a nonprofit, 501(c)3 tax exempt organization. This may include groups offering regular community engagement in the arts, arts learning, the transmission of cultural knowledge through the arts, and the creation of art works, over a period of time.

If your organization or group meets the eligibility guidelines for applicant organizations as defined in the Grant Program Guidelines for one of the ASCA grant programs for organizations, but is *not* a nonprofit, tax exempt, 501(c)3 entity or other eligible organization type, we encourage you to explore the possibility of partnering with a community nonprofit organization whose mission aligns with your group’s work.

Groups applying with a fiscal sponsor should include the details of your fiscal sponsor organization, along with your organization’s contact information in the grant application. Fiscally sponsored applicants should include a Memorandum of Understanding (MOU) or Letter of Agreement that describes the arrangement between your group and your fiscal sponsor, with your application. Should an award be made in support of an eligible, fiscally sponsored activity, the fiscal sponsor organization will sign a grant agreement, and—on behalf of the sponsored organization or group—will agree to the terms and conditions of that agreement. A template for creating a Fiscal Sponsor MOU template is provided on the following page of this document.

A few questions to ask about fiscal sponsorship and a grant application to ASCA:

Does the grant program I am considering include fiscally sponsored groups or organizations as eligible applicants within the grant program guidelines? Have I spoken to an ASCA program contact about my plan and any questions I have?

Does my organization/group have a mission or purpose that is aligned with my fiscal sponsor’s mission or purpose?

Does my organization/group have an existing relationship with an eligible, tax-exempt organization? How will we work together and communicate about the fiscal sponsorship of this project? What support should I include in my application for a grant to make sure that the fiscal sponsor has capacity to help me manage my project? Does my fiscal sponsor have experience with fiscal sponsorship agreements?

What arrangements do we have in place between a sponsored organization or group and a fiscal sponsor organization to make sure that financial transactions are tracked and appropriately managed? Who will be the key points of contact between our two organizations, and how will we keep in touch?

Have both the fiscal sponsor and the sponsored organization or group read through the requirements of the grant category? Are we in agreement that the project activities/budget and outcomes are appropriate for both of our organizations? Once the grant application is ready for submission, have key personnel from both groups had a chance to read and review the application?

**Template Example for Potential Grant Applicants to the Alaska State Council on the Arts
Memorandum of Understanding for Fiscal Sponsorship**

This is a template document, intended as a guide for development of a Fiscal Sponsorship Memorandum of Understanding between an otherwise eligible organization/group, and a tax-exempt Fiscal Sponsor Organization (Fiscal Sponsor). Please read carefully through Alaska State Council on the Arts Grant Guidelines to learn if a fiscally sponsored applicants are eligible within a given grant category. Contact the Grant Coordinator with questions about Fiscal Sponsorship and this template. In the template language, below, items in bold and italics are to be replaced with the specifics of the involved organizations/groups, and we encourage you to include any terms and conditions that help clarify the expectations of parties involved in a fiscal sponsorship relationship, in support of a grant application.

This agreement is between the **(Fiscal Sponsor Organization Name)** and **(Fiscally Sponsored Organization/Group Name)**.

The **(Fiscal Sponsor)** agrees to be the fiscal sponsor for **(Sponsored Organization)**.

The **(Fiscal Sponsor)** agrees to receive a \$(**requested grant amount**) **(Grant program name)** grant on behalf of **(Sponsored Organization)**. This will include receiving and signing a grant award agreement from the Alaska State Council on the Arts (ASCA), and disbursing funds for the proposed activities to the sponsored organization.

The **(Sponsored Organization)** acknowledges responsibility for implementing all aspects of what was promised to the Alaska Council on the Arts under the agreed upon terms and conditions; both the terms and conditions included in the grant award agreement with ASCA and as agreed upon with the **(Fiscal Sponsor)**. This will include final reporting on the grant activities.

(Include any information about how the financial transactions of this fiscal sponsorship will occur: for example, timelines for transfer of funds from the Fiscal Sponsor to the Sponsored Organization; Fiscal Sponsor expectations of the Sponsored Organization to provide receipts for accounting purposes; or how funds will be reconciled by the Fiscal Sponsor.)

The **(Sponsored Organization)** understands that failure to operate within the terms and conditions will result in them no longer being eligible for fiscal sponsorship by the **(Fiscal Sponsor)**, in future.

The **(Sponsored Organization)** understands that if they are unable to complete the terms of the grant, it is their responsibility to return all of the granted funds to ASCA via the **(Fiscal Sponsor)**.

The **(Fiscal Sponsor)** agrees to document the **(Grant program name)** Grant on financial and tax reporting, as appropriate, and provide necessary documentation to the Alaska Council on the Arts, as requested.

Fiscal Sponsor Signature: _____

Fiscal Sponsor Printed Name/Title: _____

Date: _____

Fiscally Sponsored Grantee Signature: _____

Grantee Printed Name/Title: _____

Date: _____