

HIS KEEPSAKE- FISCAL SPONSORSHIP PROGRAM

as of September, 2022

LANGUAGE FOR WEBSITE/SOCIAL MEDIA/ ORGANIZATION ONE-SHEET/ANY PRINTED DISTRIBUTED INFORMATION

If you're looking to apply for tax exempt status, or you're waiting to hear back from the IRS about your tax-exempt status, fiscal sponsorship can be a great option so you can start fundraising while you wait. Fiscal Sponsorship allows many fledgling nonprofit organizations to fundraise from large donors, corporations, and grant providers who require 501c3 status to apply. Fiscal sponsorship can give you the ability to accept tax-deductible donations and apply for grants without 501c3 status.

Fiscal Sponsorship with INITIATIVES, INC. accomplishes this by allowing eligible organizations to apply for grants and accept donations under our 501c3 status and EIN. With this formal arrangement, we receive and process all donations and provide donation acknowledgements to donors so you don't have to.

How does it work?

- Complete the application form below and submit to: nicole@hiskeepsakeincnonprofit.org for consideration of how it aligns with our Mission and Values. (Please allow 10 business days for verification of facts and Board of Directors Program Committee deliberation)
- Before final decision is made, interview with Project proposed to be sponsored will be required. Evidence of current active bank account is needed to complete application process.
- Once your application is approved by the Board of Directors for INITIATIVES, INC. and Fiscal Sponsorship Agreement has been signed, major donors, companies, and grant providers can donate via bank transfer, check, or stock donations. If you need an EIN, determination letter, 990, etc. to apply for grants, we provide you with HIS KEEPSAKE, INC.'s Fiscal Sponsorship documents to submit.
- For a standard administrative fee, (% of donation is stated in Fiscal Sponsorship Agreement) HIS KEEPSAKE, INC. will send donation acknowledgements to your donors. You'll get a copy of the donation acknowledgements each week so you can see who donated to your organization that week.

- Once a month, we disburse the funds to your organization's bank account once we've processed them. We also send you a donor report that includes information about your donors.

Why choose fiscal sponsorship?

- Fiscal sponsorship is often used by newly formed nonprofits that need to raise money during the start-up phase before they are recognized as tax-exempt by the IRS. Using a fiscal sponsor enables a program or organization that does not itself qualify as tax-exempt to attract funding for its operations that will -- through the fiscal sponsor - be tax-deductible to donors. Fiscal sponsor arrangements benefit organizations or programs that are not tax-exempt by providing a flow-through pathway for revenue that the organization may not otherwise be able to receive.
- Donors are not able to claim a tax deduction unless they itemize deductions and donate to an organization that is recognized by the IRS as tax-exempt pursuant to IRS Code Section 501(c)(3). See IRS [Publication 557](#).
- Additionally, the guidelines of most private foundations explicitly require grantees to be recognized as tax-exempt by the IRS. Consequently, groups that are not formally recognized by the IRS as tax-exempt are generally not eligible for grants from private foundations.

Other reasons:

- Fiscal sponsorship might be chosen by a newly formed nonprofit that seeks to test-drive its ideas to determine whether there is a market or a desire among the public to fund the product/service.
- Some organizations/programs remain in a fiscal sponsorship relationship for a long time, deciding that their mission can be achieved in that structure without creating a new entity.
- Some organizations - including those that are tax-exempt - find that utilizing a fiscal sponsor to outsource administrative responsibilities, whether back-office tasks, or those relating to fundraising and disbursement of funds, is the right business model for them. This structure might be particularly well-suited for all-volunteer organizations.