

# United Neighborhoods of Santa Clara County

*to promote the creation, preservation and enhancement of healthy neighborhoods*

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## FISCAL SPONSOR POLICY OF UNITED NEIGHBORHOODS OF SANTA CLARA COUNTY

*(Adopted March 19, 1998)*

**Introduction:** As a duly recognized nonprofit organization (IRC 501(c)(3)) individuals and other organizations (e.g., foundations and for-profit corporations) can make tax deductible donations to UNSCC. Donations can be made for the benefit of specific projects of member organizations who are not, themselves, qualified as a nonprofit corporation. The activity of receiving and administering such funds for such a purpose is generally referred to as "fiscal sponsorship". However, serving as a "fiscal sponsor" creates obligations of time and energy for the person(s) who receive, deposit, disburse and keep records to account for such restricted donations (e.g., whomever receives mail; the UNSCC Treasurer). It is therefore customary for organizations who act as fiscal sponsors for other groups to charge an administrative fee to compensate the organization for this service.

UNSCC has adopted the following as its policy regarding fiscal sponsorship:

1. UNSCC will serve as a fiscal sponsor only for UNSCC member groups in good standing.
2. Any project for which fiscal sponsorship is requested shall be consistent with the purposes and activities described in the UNSCC Mission & Strategy Statement.
3. Any request for fiscal sponsorship shall first be made in writing to the UNSCC Executive Committee (i.e., officers). The request shall describe the project, how project expenses will be documented, and how prerequisites for release of funds will be demonstrated.
4. The UNSCC Executive Committee may approve the request, reject the request, or request additional information from the applicable Member. In the event the request is declined, it may be referred to the UNSCC Board for reconsideration either by the Executive Committee or the requesting Member. Requests which are approved shall be subject to the following administrative charges which may be paid by the Member or charged against the funding for the project --

5. A one-time fee of \$100.00 will be charged for administrative expenses to receive and administer any directed grant of \$1,000.00 or less. [Note: \$100 is 10% of \$1,000.00.]

6. For grants administered through UNSCC which exceed \$1,000.00, the administrative fee will be a minimum of \$100.00, and there will be an additional \$50.00 charge for each partial disbursement of the grant -- but the total of such charges shall not exceed ten percent (10%) of the grant.

7. For purposes of this policy, separate payments from a single source to UNSCC related to any single project up to the cumulative amount of \$1,000.00 will be treated as a single grant subject to the above-described minimum \$100.00 charge. However, cumulative payments from a single source for the same project exceeding \$1,000.00 will be considered separate payments -- and each will be subject to an additional \$50.00 charge (except that the charges for all donations for the specified project shall not exceed ten percent (10%) of the total donations for that project).

8. Donations from different grant sources designated to benefit the same project will nonetheless be treated separately and charged separately under this policy. For example, if a UNSCC member's project receives two separate donations of \$500.00, the administrative fee charged by UNSCC will be the minimum \$100.00 for each. Likewise, grants from a single source for different projects will be administered as separate grants -- even if the same UNSCC member is the designated beneficiary of two or more grants.

9. As used in this policy, the term "project" includes events, equipment and materials purchases, consultant or other services, and other funding applications which are consistent with UNSCC's status as a 501(c)(3) California nonprofit corporation.