

Fiscal Sponsorship Fund Handbook

A Fiscal Sponsorship Fund typically is established to provide support for a specified charitable purpose, project or organizations. In this type of non-permanent (or pass-through) fund, HCCF assumes responsibility for the administration and fiscal activities of the group or organization. Fiscal sponsorship funds are effective options for a number of situations, including

- Efforts to develop a new nonprofit organization
- Longer-term projects to impact a charitable goal or field of interest
- An organization that needs back office services

Grants are made by the Community Foundation upon recommendation of identified individuals to address the identified project or organizational needs. As fiscal sponsor, HCCF has full legal responsibility and liability for the activities of the project, group or organization.

Opening a fund: Opening a Fiscal Sponsorship Fund with HCCF requires a few steps. Meeting with HCCF staff to discuss the prospective project or program and determine if the partnership is appropriate and mutually beneficial is the first step. Fiscal Sponsorship funds will be subject to approval by HCCF's Board of Directors. If the partnership is beneficial, and HCCF determines it is willing to serve as fiscal sponsor for the project or organization, the next steps can proceed. HCCF will begin to draft a Fund Agreement based on the terms discussed in the meeting. Our Fund Agreements are standard forms used by community foundations throughout Indiana, but you may wish to have it reviewed by your professional advisors. The Fund Agreement will include an exhibit which details a number of points related to the relationship, including who may recommend grants, timelines, fee structures, reporting requirements, and other details of the relationship. Once the draft Fund Agreement is acceptable, both parties will sign it. Once the Fund Agreement is signed and the first gift received, your fund is open!

Gifts: Gifts to a fund are irrevocable. The assets of fiscal sponsorship funds are owned and controlled by HCCF. Gifts can be made to a Fiscal Sponsorship Fund at any time, by any individual or organization. Donations to Fiscal Sponsorship Funds are tax-deductible as allowed by law. Gifts can take any number of forms and can be an integral part of your overall planning. We can accept many types of gifts, including immediate gifts (such as cash or checks, marketable securities, retirement plan rollovers, closely held stock, personal property, real estate), delayed or deferred gifts (such as through a will or bequest, a living trust, a life insurance or retirement plan beneficiary designation), or even gifts that may provide income to the donor (such as a Charitable Gift Annuity, a Charitable Remainder or Charitable Lead trust). One or more of these options may fit into your overall planning. Please see our current *Gift Acceptance Policy* for more details.

Administration of the Fund: HCCF staff, overseen by our volunteer Board of Directors, administers aspects of each fund's investment management, grantmaking, check writing, bookkeeping, tax reporting, auditing, and evaluation. HCCF makes available to the Fund Representative reports of fund income, expenses and grantmaking, as appropriate. To make charitable giving a rewarding experience, HCCF provides a wide range of personalized donor and financial services, tailored to the needs of donors and their families. Administrative fees support these services and HCCF's other activities with its role as a philanthropic leader in the community.

Administrative Fees and Minimum Balance: HCCF assesses fees, including investment management fees, against all its funds to cover the cost of administration and to continue our important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research, and other activities. Fees for Fiscal Sponsorship funds may be negotiated on a fund by fund basis. HCCF also requires a pledge of a minimum balance to open a fund. Please see our current *Administrative Fees and Minimum Balance Policy* for more information.

Fundraising: Fundraising for a specific fund can be done by the donors or their representatives. Please see our current *Donor Initiated Fundraising Policy* for details on the requirements for this activity.

Grantmaking: Grants from Fiscal Sponsorship Funds are made by the Community Foundation upon recommendation from the designated Fund Advisors. All recommendations by Advisors are subject to review, due diligence review, and approval by the Board of Directors of the Hendricks County Community Foundation. The recommendations must be advisory only, and the Community Foundation must be free to reject any or all recommendations. Recommendations for grants must be in writing using the current *Grant Recommendation Form*.

It is the nature of fiscal sponsorship funds that many of the grants are for expenses related to a charitable project or goals, often to a variety of vendors. Such grant payments will be made directly to vendors. In no case shall Fund Advisors pay for an expense and be reimbursed from the fund, and no individual associated with the fund shall receive any personal benefit from the activities of the fund.

Investments: As a non-permanent, or pass-through, fund at HCCF, all the assets in the fund are available for spending on the charitable purpose of the fund at any time. Most assets of pass-through funds are invested in low-risk, near-cash investment vehicles.

Fund reports: HCCF will provide Fund Representatives activity reports on the fund showing current balance as well as gifts and grants on a regular basis. Currently, reports are provided twice a year. Reports of gifts received may also be provided on a monthly basis. Fund Representatives or Fund Founders may contact HCCF for balance information at any time.