

TIDES CENTER

Want to Start a New Nonprofit...

In This Economy?

Fiscal Sponsorship as a Cost-Effective Solution

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The Foundation Center – San Francisco, July 20, 2009

Agenda

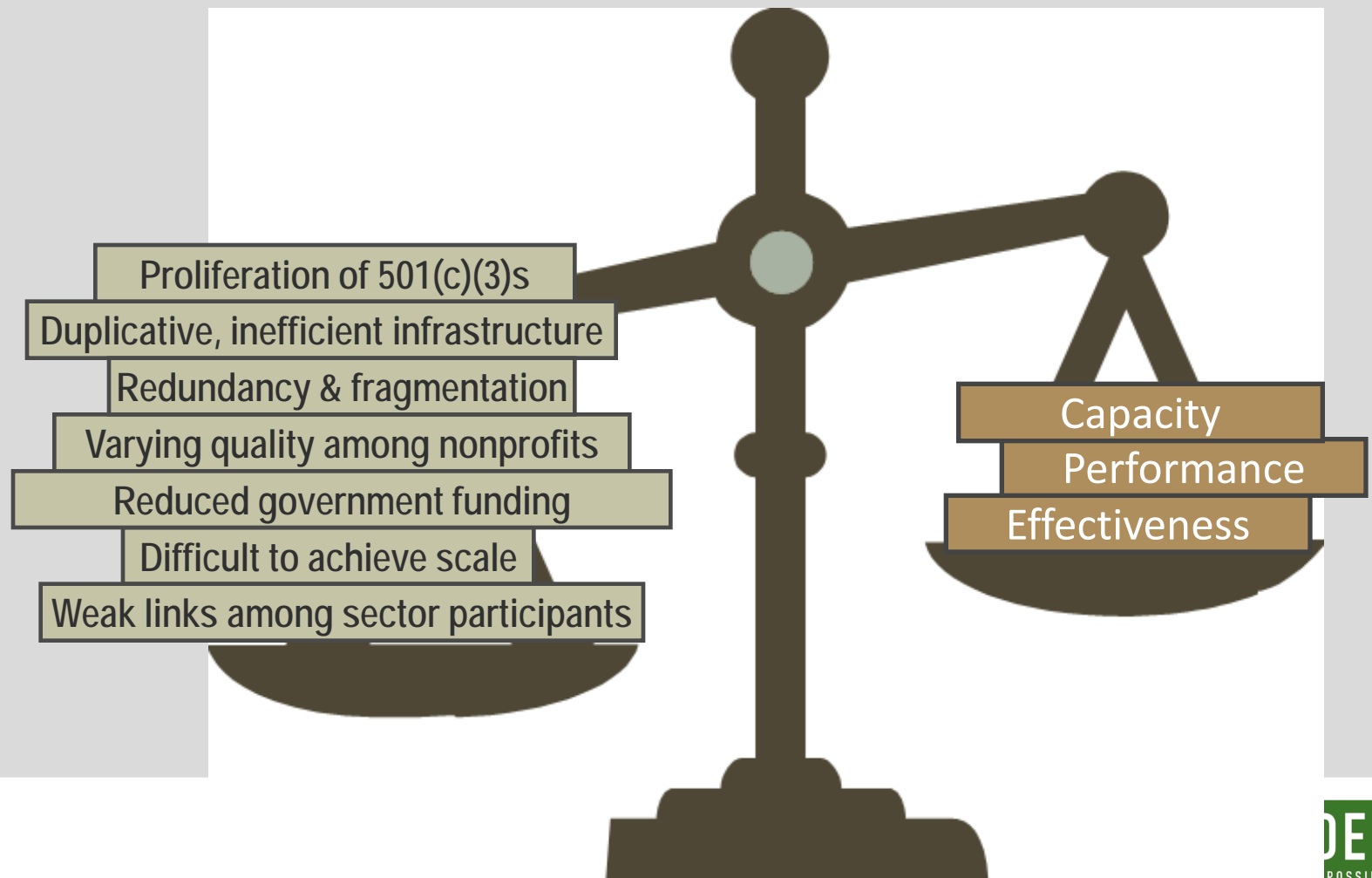
- Nonprofit trends & challenges
- Types of fiscal sponsorship
- Why fiscal sponsorship?
- Questions & discussion
- Resources

Nonprofit Trends

- Fewer resources
- Funding cutbacks
- Consolidation & merge



Imbalanced = Not Sustainable



Increased scrutiny of nonprofits

New 1023 Conflict of Interest Questions

Sarbanes-Oxley

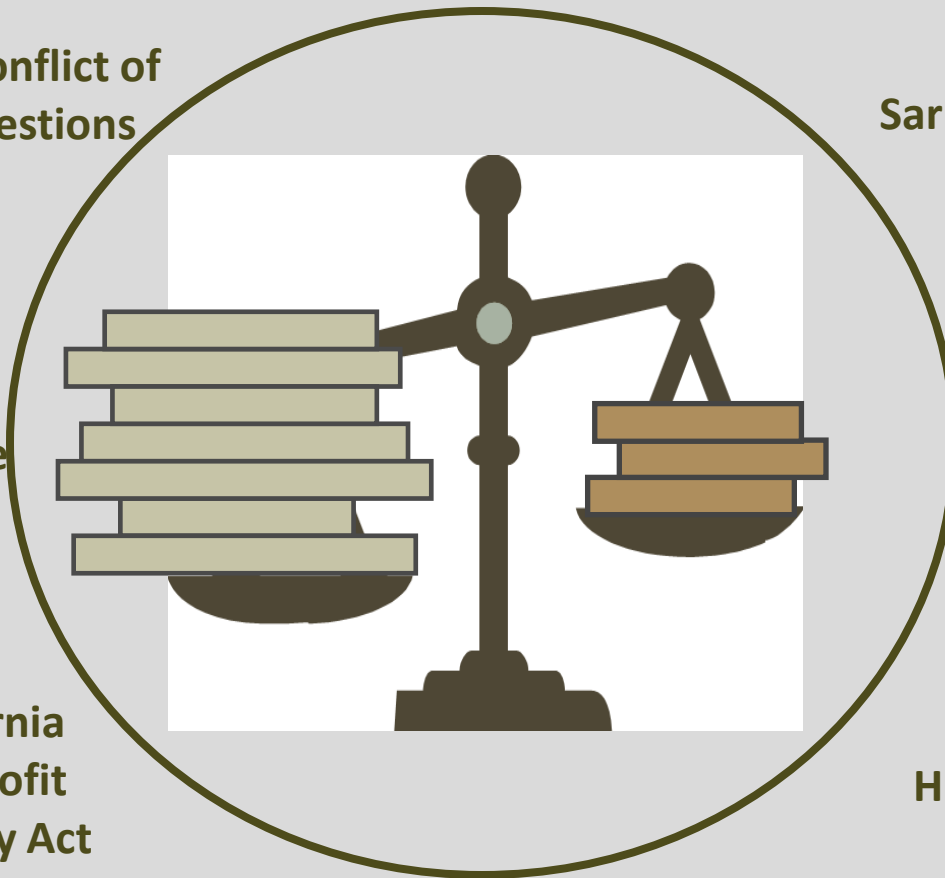
US Senate Finance Committee Reforms

Charity Watch

California Nonprofit Integrity Act

USA Patriot Act

HR4

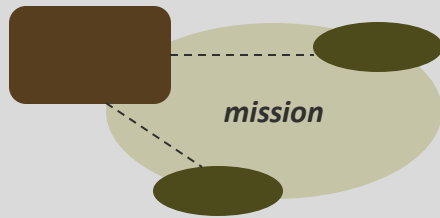


Funder's common concerns

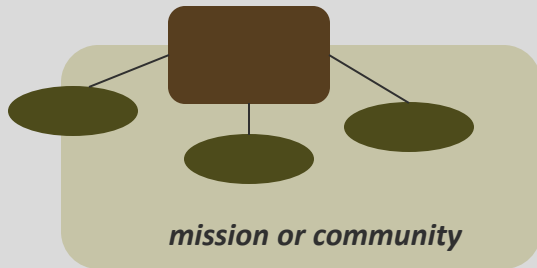
- Create another 501(c)(3)?
- Support an effective leader lacking business expertise
- Oversight; inexperienced board of directors
- Compliance with local, state, federal regulations
- Adherence to labor laws, strict fund accounting
- Risk management
- Is funding producing desired outcomes?

INTRODUCING: FISCAL SPONSORSHIP

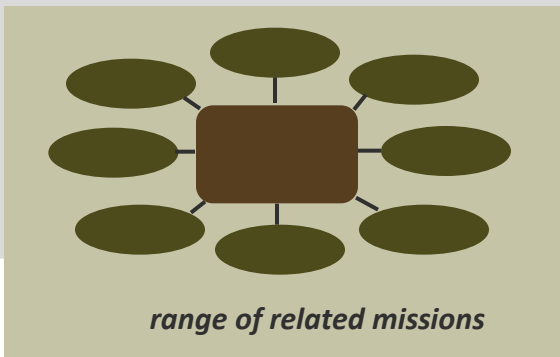
Scope of Fiscal Sponsors



Informal Sponsors

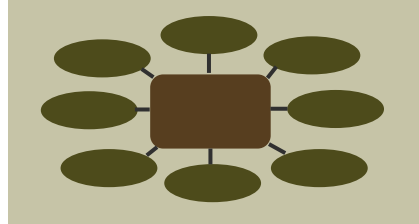


Community Foundations



Comprehensive Fiscal Sponsors

Services



Comprehensive Fiscal Sponsorship

Financial Management

HR Management

Grants Administration

Business Administration

Capacity Building

Accounting	Review Grants	Insurance	Program Assessment	
Revenue	Grant Contracts	Leadership Training		
Accounts Payable	Benefit Administration	Track Restrictions	Technology Consultation	
Health Insurance	Funder Financial Reporting	Regulatory Compliance	Strategic Planning Guidance	
Goodwill	Flex Spending	Audits	Legal Issues	Advisory Board Development

Why choose fiscal sponsorship?

- Quick, efficient access to 501(c)(3)
- Focus on mission-building rather than institution-building, activities
- Avoid replicating infrastructure, bureaucracy
- On-demand finance, compliance, HR expertise
- Access affordable, high-quality benefits, insurance
- To learn the specifics of running a nonprofit

Why fund fiscal sponsor projects?

- Short-term or time-limited initiatives
- Testing an idea without investing in infrastructure
- Capacity building support for limited or inexperienced staff
- Need for a neutral, third-party home
- Leverage funding dollars

What to look for in a fiscal sponsor

- Services meet the needs of our work
- Fee: reasonable, within our budget
- Transparency: recordkeeping, bookkeeping
- Explicit HR policies, good employee benefits
- Effective system for project governance
- Board's approval, understanding of our activities
- Ability to assist our growth & development
- Proven track record, financial stability, sustainability
- Risk management & liability insurance

Questions & Resources

- Local and national fiscal sponsors
- *Fiscal Sponsorship: Six Ways to Do It Right* by Gregory L. Colvin
- www.silklaw.com has sample contracts for Model A relationships
- www.tidescenter.org: Strategies & Resources, Becoming a Project sections
- Talk to other sponsored projects—get references!