



FISCAL SPONSORSHIP

Fiscal sponsorship refers to the practice of nonprofit organizations offering their legal and tax-exempt status to groups, typically for projects engaged in activities related to the sponsoring organization's mission.



The Pasadena Community Foundation will act as fiscal sponsor for projects or programs on a selective basis. Projects must be compatible with PCF's mission, have able and committed leadership, and strong prospects for reaching the stated fundraising goals.

All fiscal sponsor applicants must be approved by PCF's Board.

Typically, projects are:

- one-time or short term (1-3 years) efforts where it does not make sense to create a new nonprofit
- ongoing programs in the process of seeking their own tax-exempt status
- facilitation of collaborative grants programs

WHAT SPONSORED PROJECTS CAN EXPECT FROM PASADENA COMMUNITY FOUNDATION:

Fiscal Sponsorship

- Eligibility to receive tax deductible contributions from donors and foundation grants and to operate as a project of Pasadena Community Foundation, a nonprofit public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code
- PCF does not engage directly in fundraising activities for fiscally sponsored projects; this is the responsibility of the project committee

How does it work?

- PCF establishes a restricted fund for the project ("Fund")
- Donors make a contribution to PCF for the benefit of the Fund
- PCF provides the tax receipt and acknowledgment to all donors
- Fiscally sponsored project submits approved invoices to PCF for payment from the Fund
- Fiscally sponsored project can access information about donations and expenses through PCF's Fund Holder Portal

Financial and Administrative Services

Most fiscal sponsorships are held in cash. However, PCF does have the ability to invest funds in a longer-term investment portfolio if appropriate.

PCF provides the following accounting and administrative services:

- Individual account for project funds
- Systems to receive checks, online donations, and gifts of stock
- Acknowledgment of all donations
- Record-keeping and reporting of project finances, including income and disbursements/payments of invoices
- Support for any grant reporting due to institutional funders

Insurance Services

- PCF carries general liability insurance
- Special insurance coverage may be required for special programs or events which would be paid by the Fund

Administrative Contribution to PCF

- One-time start-up fee of \$2500 to establish the Fund
- 6% administrative charge on all donations to the Fund (must be a minimum annual fee of \$3,000)

