

SWNI Fiscal Sponsorship Policy and Instructions

Subject: Southwest Neighborhoods, Inc. (SWNI) Fiscal Sponsorship Policy	Effective Date: October 26, 2011
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SWNI Fiscal Sponsorship Policy. Also see:

- Appendix A, SWNI Fiscal Sponsorship Instructions
- Appendix B, Application Form
- Fiscal Agent Policy and Instructions

DEFINITIONS

SWNI: Southwest Neighborhoods, Inc. (SWNI), an Oregon nonprofit public benefit corporation organized under Articles of Incorporation adopted by the residents of Southwest Portland, and qualified as a tax-exempt entity pursuant to § 501(c)(3) of the Internal Revenue Code.

Fiscal Agent: An organization, such as SWNI, which takes responsibility for the fiscal duties of an unrelated party that is incorporated within the State of Oregon and does business within the boundaries of SWNI (see SWNI Fiscal Agent Policy). Example: accounts held for Neighborhood Associations at their request.

Fiscal Sponsor: A nonprofit, tax-exempt organization, such as SWNI, which acts as a sponsor for a project for a *de facto* or *de jure* group which does not have its own tax-exempt status. Grants or contributions are made to the fiscal sponsor who manages the funds. In the case of a grant, the fiscal sponsor may be responsible for reporting back to the grantor on the progress of the project. Example: City of Portland Neighborhood Small Grants, grants awarded to SWNI on behalf of other organizations such as Spring Garden Park.

Proposing Entity: A Neighborhood Association; Business Association; other Oregon nonprofit corporation; or other *de facto* or *de jure* entity located entirely within the boundaries of SWNI, or proposing a project or program within the boundaries of SWNI in furtherance of SWNI's purposes as stated in SWNI's Articles of Incorporation or Bylaws.

POLICY

1. The SWNI Board of Directors is the governing body that is ultimately responsible for the policies and practices that assure compliance with federal, state, and local laws/rules/code and SWNI grants and contracts, and safeguards its assets. The Board may delegate administration of the policies and procedures to the Executive Director. The Board must periodically review financial statements as well as operations and activities to ensure SWNI is serving its mission and complying with applicable state and federal laws.

SWNI Fiscal Sponsorship Policy and Instructions

2. The SWNI Board of Directors encourages and supports the activities and projects of Neighborhood Associations, Business Associations, and other entities located in Southwest Portland that fit within the mission of SWNI, are within the SWNI boundaries, and do not jeopardize SWNI's status under local, state, or federal law.
3. SWNI offers Fiscal Sponsorship Services to Proposing Entities for projects to be performed within the SWNI boundary. In order to accomplish this, Proposing Entities must formally request that SWNI provide Fiscal Sponsorship Services, and the SWNI Board must approve the application submitted by the Proposing Entity before the fiscal sponsorship services can begin.
4. Only Proposing Entities which are not themselves qualified as tax exempt entities under § 501(c)(3), or other federal tax exemption provisions of the Internal Revenue Code, including but not limited to § 509, shall be eligible to utilize SWNI's Fiscal Sponsorship Services.

SERVICES

1. The Fiscal Sponsorship services offered by SWNI are assistance in:
 - a. Writing or assisting with writing of grant proposals (Neighborhood Associations and Business Associations only);
 - b. Drafting, negotiating and reviewing contracts with funding source entities, contractors or subcontractors;
 - c. Communicating with vendors and others (e.g. City of Portland, Multnomah County and State of Oregon staff) regarding permits, supplies, outside services, etc. for project implementation;
 - d. Receiving and expending funds – making deposits, cutting checks, producing financial statements and verifying accounting records;
 - e. Producing progress reports (narrative and/or fiscal - financial) for funding source entities.
2. SWNI may recover its costs by charging administrative fees for Fiscal Sponsorship Services delivered. Fiscal Sponsorship fees will range from 0 to 15%, as negotiated by SWNI's Finance Committee and the Proposing Entity and approved by the SWNI Board of Directors at the time the project is approved for sponsorship.
3. For each project for which SWNI provides Fiscal Sponsorship Services, SWNI shall oversee the implementation and execution of the project to be sure that the project is conducted in accordance with the proposal. Changes that affect the intent of the grant's project plan or budget will need to be approved by the SWNI Finance Committee prior to the change.
4. The Proposing Entity may not accept grants, donations and contributions for a project for which it seeks SWNI Fiscal Sponsorship prior to SWNI acceptance of the project. All

SWNI Fiscal Sponsorship Policy and Instructions

grants and donations for an accepted project shall be delivered directly by to SWNI, and SWNI shall issue appropriate receipts to grantors or donors for tax deductible contributions. No funds for any proposed project shall pass through any Proposing Entity.

SWNI Fiscal Sponsorship Policy and Instructions

APPENDIX A

SWNI Fiscal Sponsorship Application Instructions

1. Each Proposing Entity seeking Fiscal Sponsorship Services from SWNI shall apply for Fiscal Sponsorship on a form provided by SWNI (Appendix B, to be developed), which will include the following:
 - a. Identifying Information: If the Proposing Entity is an Oregon Corporation, provide the Oregon corporate registration number, mailing address and physical location, phone number and email contact data for its Executive Director and Officers. If the Proposing Entity is an *ad hoc* group, provide the mailing address, phone number and email contact data for at least two principal persons responsible for the project.
 - b. Project Description: Provide a complete description of the proposed project, including but not limited to what services are requested from SWNI; grant restrictions or other limitation on expenditures, if applicable; a detailed budget; project plans, outcomes and deliverables, if applicable; and proposed project start and completion dates.
 - c. Project Manager: A written designation of one or two “Project Managers” who shall have authority to request payment of invoices by SWNI. If the Proposing Entity changes the Project Manager(s), the Proposing Entity must provide the new names to the SWNI Finance Committee prior to any requests for payment of invoices.
 - d. Applications shall be signed by the Proposing Entity’s authorized representative identified in (1)(a) above. If the Proposing Entity is an *ad hoc* or unincorporated group, the application must be signed by at least one principal person responsible for the project.
2. All funds from any grant making or funding entity, including grants, contributions and proceeds from fund raising activities, shall be delivered directly to SWNI to be deposited into the SWNI trust account established for the project. No funds for a project may be spent prior to approval of a project by the SWNI Board.
3. If approved, SWNI shall:
 - a. Keep all funds received for sponsored projects in a dedicated, federally insured, account labeled as “SWNI Restricted Funds” over which only persons designated in SWNI’s Financial Management Policy shall have signing authority. Designated Project Managers may request payment of invoices by SWNI.
 - b. As a fiscal sponsorship service, work with Project Managers and volunteers to execute, implement or carry out the project in accordance with the project application at the earliest possible time after sufficient funds are on hand to do so.

SWNI Fiscal Sponsorship Policy and Instructions

- c. As requested, provide to Proposing Entity, a complete listing of beginning balance; funds received; funds disbursed; and ending balance.
- d. SWNI shall not disburse any funds without a written fiscal tracking request from a Project Manager. In the event that there is a disagreement between the Project Managers or between a Project Manager and a Proposing Entity's officers or directors regarding the appropriate disbursement of funds, SWNI shall disburse funds in accordance with the Project Application, or not at all until a clear request is made. The SWNI Board of Directors is ultimately responsible for assuring that the funds are spent consistent with the approved project application or approved amendments.

References and Sources:

Gregory L. Colvin, *Fiscal Sponsorship: 6 Ways To Do It Right*, Study Center Press, 1095 Market Street, Suite 602, San Francisco, California 94103, telephone 415-626-1650, fax 415-626-7276 (1993, 2005). See also www.fiscalsponsorship.com.

SWNI Fiscal Sponsorship Policy and Instructions

Appendix B

Application Form

(See Appendix A for Instructions)

Proposing Entity: _____

Oregon Corporate Registration #: _____

Mailing Address: _____

Contact Name: _____

Contact Phone Number: _____ Contact Email: _____

List of your Executive Director and Officers:

Project Description: (attach separate sheet if more is needed)

Proposed Project Start Date: _____ Approximate Completion Date: _____

Designated Project Managers: 1) _____ 2) _____

Project Manager Reports Due by: _____

Applicant's Signature

Date

Approved by SWNI Board on: _____

SWNI Fiscal Sponsorship Policy and Instructions

APPENDIX C

BUDGET WORKSHEET

Expense Line Item	Dollars Budgeted
Professional Services	
Technical Services (i.e., Website development and/or maintenance)	
Meeting Space Rental Fees	
Utilities	
Office Supplies	
Tools and Equipment	
Refreshments	
Printing	
Postage and Shipping	
Travel expenses	
Other	
TOTAL BUDGET	