

Consultant Network Convening – Fiscal Sponsorship 11/30/23

Edited Chat Transcript

Web page for Consultant Network Convenings:

<https://www.hfpgnonprofitsupportprogram.org/what-we-offer/workshops/nonprofit-consultant-network-2022>

From Gayle Gifford To Everyone:

What isn't mentioned that I've experienced are organizations not only choosing for the fiscal supports, but also the HR supports for employees.

From Amarilis Pullen (she/her/ella) To Everyone:

It's also key that fiscal sponsors provide political cover for community organizing groups. Many times this grassroots organizations are targeted and fiscal sponsors will drop them if the issue they organize around is not aligned for the sponsor.

From Tom To Everyone:

Fiscal sponsors can not only help lower overhead costs, especially for smaller nonprofits, but also can lead to both stronger partnerships and consolidation/collective impact opportunities that results in better customer outcomes.

From Gayle Gifford To Everyone:

Orgs using fiscal sponsors don't need to be small or start up nonprofits.

From Rosaida Morales Rosario To Everyone:

The distinction between fiscal sponsors and fiscal agent is not well understood.

From Priya Morganstern, Pro Bono Partnership To Everyone:

as Lucas said, people are using the phrase fiscal AGENT when they really mean SPONSOR

15:09:03 From Rosaida Morales Rosario To Everyone:

I have seen CRT be both a fiscal sponsor and fiscal agent.

From Amarilis Pullen (she/her/ella) To Everyone:

Amplifying the work of A Better Way Foundation: "A Better Way Foundation provides fiscal sponsorship and technical assistance to grassroots organizing groups in Connecticut focused on racial and economic justice." <https://www.abetterwayfoundationct.org/>

From Meher Shulman, Hartford Foundation To Everyone:

Social Impact Commons Field Scan Report:

<https://www.socialimpactcommons.org/fiscal-sponsor-field-scan-2023>

From Meher Shulman, Hartford Foundation To Everyone:

National Network of Fiscal Sponsors Member Directory:

<https://www.fiscalsponsors.org/member-directory>

From Meher Shulman, Hartford Foundation To Everyone:

Chronicle of Philanthropy - Fiscal Sponsorship is on the Rise:

<https://www.philanthropy.com/article/fiscal-sponsorship-is-on-the-rise-allowing-groups-that-arent-nonprofits-to-accept-donations>

From Rosaida Morales Rosario To Everyone:
I find the struggle to really be about control.

From Gayle Gifford To Everyone:
Melissa, will you be mentioning universities as "fiscal sponsors"

15:20:21 From Dorothy Adams To Everyone:
The fringe level at some universities make their providing of HR-employment is prohibitive

From Amarilis Pullen (she/her/ella) To Everyone:
Many universities sponsor "centers" for example: The Center for Youth and Community Leadership in Education (CYCLE) at Roger Williams University partners with youth, families, educators, and other stakeholders to build collective power and fight for educational justice.
<https://cycle-rwu.org/>

From Meher Shulman, Hartford Foundation To Everyone:
Fiscal Sponsorship Models Summary:
<https://fiscalsponsorship.com/the-models-summary/>

From Karen Milton To Everyone:
Trust and hope need to be articulated carefully in the MOU which is the legally binding document that controls both parties here.

From Dorothy Adams To Everyone:
TSNE did a study a few years back on the deep equity approach

From Gayle Gifford To Everyone:
Rosaida, I'm wondering what the size of the sponsors are. I see a lot of small sized organizations as fiscal sponsors who themselves are also racing to keep up with their own cash flows.

From Dorothy Adams To Everyone:
[Social Impact Commons](#) has some good sample agreements

From Amarilis Pullen (she/her/ella) To Everyone:
A strong MOU is a good starting point. Also, what are the incremental safe guards and accountability mechanics to ensure the FS is actually stewarding the funds responsibly.

From Karen Milton To Everyone:
The MOU is a legal document so it would be a good idea to have legal counsel review the document for both sides before it is signed and enacted.

From Meher Shulman, Hartford Foundation To Everyone:
Fiscal Sponsorship: 6 Ways to do it Right: <https://www.amazon.com/Fiscal-Sponsorship-Ways-Do-Right/dp/1888956070>

From JD Osterman To Everyone:
ADVANCING CONNECTICUT TOGETHER in Hartford is a fiscal sponsor for other mission-aligned orgs (around poverty, addiction and health inequities)

Two of their long-term TYPE A fiscal sponsorships are CT Early Childhood Alliance and Keep the Promise Coalition.

From Priya Morganstern, Pro Bono Partnership To Everyone:

To answer Gayle: if Model C, where the project is a separate legal entity, the signatory is an authorized individual from the entity; e.g., board chair or ED. If Model C - where it is a program, not a legal entity - it would typically be the key individual behind the project, and/or someone from the project's steering committee if there is one.

From Gayle Gifford To Everyone:

Sometimes those benefits from the sponsor or vice versa accrue based on just the relationship existing. The sponsor provides a "bigger/more developed/stable/reliable" organization that is more attractive to a number of funders (especially government) and the project often brings new constituencies under the larger org (as well as bigger size for the sponsor)

From Gayle Gifford To Everyone:

Something else that has come up frequently is the employee-independent contractor concern. The project leader/director may be operating as an independent contract. In the coming through the fiscal sponsorship, there is much confusion as to whether the project/leader/executive director is actually now an employee. Fiscal sponsors need to be clear on the relationship on status. And additional funding from sponsored project is needed to pay those payroll taxes as an employee.