Center for Community Stewardship

Project Policies & Accounting Procedures

Revised February, 2019

I. ABOUT C4CS

Contact Information

The Center for Community Stewardship (known as C4CS) office is located at 354 W. Main Street, Madison, WI 53703 in the Main Street Justice Building, in Suite 122. Please direct any correspondence to C4CS when mailing or visiting. C4CS shares its office suite with CORE, one of our fiscally sponsored projects. Main Street Justice is generally open Monday through Friday, 9:00 a.m. to 4:00 p.m. There is an inbox for C4CS/CORE on the desk to the left in the reception area of Main Street Justice. All items left in this area should be marked clearly for C4CS.

The phone number to contact the C4CS Accountant, Sandra Snow, is 608-844-9545 and her email is C4CSmadison@gmail.com. Sandra Snow is generally in the C4CS office on Fridays, however she checks the C4CS email Monday through Friday for questions, concerns, and direction by, from, or for C4CS staff and Project Leaders. Executive Director Lisa Dugdale is generally in the C4CS office Monday, Wednesday, Thursday, and Friday, and can be reached at 608-212-2451 or ldugdale@community-stewardship.org. Steve Hingle, CPA (Board of Directors Treasurer) may be consulted if need be, at 608-572-0084.

II. TAKING DONATIONS

Income and expenses flowing through C4CS are tax-exempt will be included in the C4CS tax return. Donations made directly to a Project or individual's bank account or PayPal account are NOT tax exempt. Payments must come directly to C4CS (via check, cash, PayPal, or WeDidIt) to be tax-exempt and for us to include them in our tax filing.

Donations by Check

Checks supporting fiscally sponsored projects may be received by Project Leaders and/or mailed to the C4CS office. Donors may also be directed to send them directly to the C4CS office. Donors must make checks payable to 'Center for Community Stewardship' or C4CS,' and the project name should be listed in the memo portion of the check. Checks made payable to a project name will be returned to be reissued, as the bank will not accept them. Donors should be informed that C4CS has variance power or the ability to redirect funds, if necessary. For checks that arrive in the mail for Projects, Project Leaders will be notified via phone or email about the donation within a week of receiving the check or as soon as feasibly possible. For checks delivered via the Project Leader, it will be assumed that no further information would be required to be provided to that Project Leader. All donors will be provided with a written acknowledgement of a donation of $250 or more. C4CS would encourage any and all Project Leaders to express appreciation and provide a thank you to the project donor(s). Such donor information should be kept for future correspondence. C4CS does not track individual donor information unless cumulative donations received exceed a total of $250, if and only if the donor identifies himself or herself in the same manner for each donation.

Regardless of the level of the donation, the C4CS accountant will provide a list of all known donors by project with monthly reporting (see section to follow on **Monthly Reporting from C4CS**).

Other Income

Checks for a fiscally sponsored project are assumed as a donation unless otherwise informed. If a Project Leader has other sources of income, he or she must be sure to communicate that information with the C4CS Accountant and representatives.

Premiums to Donors

If a Project Leader provides something of value to a donor (a premium) which is a part of or a component of the donation, such as a mug or meal at a fundraiser, then by IRS guidelines only the portion of the donation which exceeds the value of the premium provided to the donor is considered as a tax-deductible contribution to the project. Therefore, it is the responsibility of the Project Leader to inform the C4CS Executive Director and the C4CS Accountant of such premiums provided to donors.

Fundraising Income & Expenses

C4CS is required to track fundraising income and expenses separately for tax purposes. Project Leaders are required to inform the C4CS Accountant if and when income and expenses are related to the fundraiser for a project. Instructions will be provided to a Project Leader as to how to hold a silent auction or raffle.

Fundraising expenses include: "publicizing and conducting fund-raising campaigns; maintaining donor mailing lists; conducting special fund-raising events; preparing and distributing fund-raising manuals, instructions, and other materials; and conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others."

PayPal & WeDidIt

C4CS provides two Electronic Payment options for projects, PayPal and WeDidIt. PayPal can be a good system for Projects with a low number of online donors. It does not allow Projects to access donor information directly, nor send a notification when a donation is made. WeDidIt is an online payment platform (similar to Network for Good) that is specifically for organizations offering fiscal sponsorship. It is built to maximize donations, allow Project Leaders direct access to donor information, and customize their donation page. It does charge an extra 3% processing fee but asks donors if they would like to cover this cost – about 2/3 of them will do so. If you are curious about WeDidIt, the overview can be viewed here (the recording actually starts at 4:41). https://vimeo.com/261872713/d86ceef6b2

The C4CS Executive Director will establish links within these Electronic Payment systems to direct funds to specific projects which are named in those systems. She will either send an invite to WeDidIt or will create PayPal Button (the code for which can be sent to Project Leaders for their website).

Electronic donations to projects must also be directed through C4CS accounts (such as PayPal and WeDidIt) to properly account for such donations and regard them as tax-deductible. Donors who give via one of these systems will receive an email acknowledging their donation automatically. Once again, if donations are solicited where a premium is involved, please make the C4CS Executive Director and Accountant aware of this exchange. Automatic email acknowledgement setup specifically in PayPal cannot be changed if a premium is a part of their donation; however, the C4CS office can send an email clarifying the resulting value of their tax deductible donation less the value of the premium. Donation acknowledgements can be customized on WeDidIt.

The C4CS office is provided an acknowledgement of donations received through these payment systems. Such donations are then recorded in project income and will be reported within monthly project reporting and/or email notification to the Project Leader. Fees associated with donations received through Bill-Pay Coordinators will be charged to the project as an expense.

Grants

Please provide C4CS with a copy of grants which have been submitted by and for a project. This will prepare the C4CS staff should the grantor contact the C4CS office with regard to an application, so we don't have to ask awkward questions about which Project submitted the application. Project Leaders are required to provide all letters, agreements, procures, reports, etc. which pertain to future grant income for their project as soon as possible. Our financial auditors use these documents to verify that C4CS/the Project has satisfactorily met the grant agreement, so please read them carefully.

In-Kind Donations

No in-kind donations will be recorded by C4CS to benefit a project; therefore, such information does not need to be provided to C4CS. The C4CS Executive Director would highly recommend however, that such donors should be acknowledged by the Project Leader.

Donations of stock

C4Cs is able to accept donations of stock. It is a policy of C4CS that any such donation will be liquidated to cash and deposited to the project's account within 7 days of the receipt of the funds.

III. EXPENDITURES

Accessing Funds

Once a project has received funds, the Project Leader or a designated representative for the project may access the funds by one of the following procedures:

1. Submitting an invoice to C4CS to pay
2. Submitting a reimbursement request for something someone associated with the project has personally paid on behalf of the project. We require receipts from this purchase – you can submit hard-copy receipts, electronic receipts, or a picture of them. We are unable to reimburse without a receipt.
3. Submitting a request for funds in advance of a project expense or event; the maximum amount of funds will be $500. The C4CS Accountant will follow up with the Project Leader in this case to obtain receipts to back up this request for anticipated project expenditures (see **Cash Advances** section below).

In all three examples, the use of the C4CS 'Request for Cash Advance or Reimbursement Form' is required to accompany the request for an Expenditure, reflecting approval by the Project Leader OR an email from the C4CS Project Leader to the C4CS Accountant with direction to pay or reimburse.

All payment requests must include the payee name, address, detail of expenses, and amounts. The payee then becomes a 'vendor' in the C4CS accounting system. If the vendor is previously unknown to C4CS (a new vendor or provider of services), C4CS will require the IRS form W-9 to be completed in exchange or prior to the date of the expenditure. This is a requirement for services provided and to determine the tax status and legal address of any individual or entity to be paid by C4CS (see **Expenditures for Services** section below).

The C4CS Accountant is in on Thursday or Friday mornings to cut checks and make deposits (generally Fridays). Please submit check requests by Wednesday evening to ensure prompt payment. Checks will generally be sent within a week. Checks above $5,000 require a second signature from a Board member, so please allow an extra week for this process.

For mileage reimbursement requests, please use the federal mileage rate, and document the To and From addresses, date, and total miles.

Cash Advances

A cash advance is considered a short-term cash flow solution. Receipts for the expenditures covered by the advanced are required to be provided to the C4CS Accountant and settled. Therefore, by settling, C4CS may confirm that an additional reimbursement is due to the person making expenditures personally in EXCESS of the advance (see item #3 in **Expenditures** above).

If upon settling, it is determined that there are not enough receipts to justify the full amount of the cash advance or no receipts are provided in exchange for the cash advance, C4CS may consider this as a payment to the payee and thereby, issue a 1099-MISC for this amount as income at year-end.

Expenditures for Services

Any party providing services to a project is required to provide an IRS W-9 form to C4CS for its records, in advance of making the project expenditure. W-9s identify what type of legal entity an organization is so that we know if we should send them a 1099 tax form at the end of the year – individuals and some types of corporations will receive a 1099s, while LLCs do not receive one. Services include things like classes, speaker fees, design services, legal fees, rent – if nothing tangible will be received in return for the payment, please ask for a W-9. Exceptions to this process will need to be approved by the C4CS Executive Director. A blank IRS form W-9 is made available to all projects with startup documents for fiscally sponsored projects.

If the Project Leader engages a party for services, it is the recommendation of C4CS that payment for such services should NOT be paid by anyone other than C4CS. If for some reason C4CS does not make the payment or is not asked to make the payment, and another party has paid for project services, the paying party will be responsible to collect an IRS form W-9 from the payee and C4CS would be obligated to issue a 1099-MISC to the person requesting reimbursement for the services (other than C4CS). This is a situation which should be avoided AT ALL COSTS.

Social Security Numbers or Tax ID Numbers provided by individuals or companies which become vendors and/or subcontractors of C4CS should be protected when delivered to C4CS. Likewise, C4CS will keep such information confidential in its files.

C4CS has the right to request a W-9 from any existing or potential vendor of C4CS projects in order to determine the legal name of the vendor, their current address, and their tax status.

It is the responsibility of the Project Leader to ensure the following information when expenditures are requested from project funds:

1. The current address of an existing vendor or party to be paid is on file.
2. There is direction made to the C4CS accountant as to what type of expenditure it is from the list of attached general ledger accounts provided with these Accounting Procedures. This is optional, but will help us allocate your expenses in a way that makes sense to you. If you don't provide direction on this, we will pick the category that seems most likely.

Payment of your expenditure is qualified by the fact that a project has positive cash flow – in other words, total income or revenue for the project which exceeds previous total expenditures.

Expenditures can be expected to be paid and delivered within 7 – 14 days of a request. Special delivery instructions, such as check pickup, address exceptions, etc. must be made known to the C4CS Executive Director and/or C4CS Accountant once expenditures have been processed.

At the end of each calendar year, C4CS will issue a 1099-MISC to vendors who have been paid during the calendar year if they are paid $600 or more for services to a project through C4CS AND the vendors are organized as an individual or partnership, as required by the IRS.

IV. INSURANCE

Insurance Coverage

C4CS has obtained Insurance coverage through Marsh & McLennan Insurance Agency, and it covers general liability, property, umbrella, workers compensation, and Directors and Officers (for the C4CS Board). The general liability policy is one we chose because it offered coverage specifically to fiscally sponsored projects. This is an uncommon practice for insurance agencies, but we wanted to ensure that our projects were specifically covered by our insurance. Once a new project signs up with C4CS, we send the information to our insurer and they add the project to our insurance.

If you have a large special event, this insurance will likely not cover it (insurers often requires special coverage for events over 500 people.) We can ask Marsh & McLennan to offer coverage, or give you a link to other options for your event – it generally is quite affordable.

If your projects has special needs or additional items that need to be covered (such as your own office space or additional coverage for high-risk activities) C4CS will charge the amount beyond basic coverage to the project's account. At the end of this document you will find a copy of our insurance certificate.

If you need an insurance document for an event or grant, please let us know ASAP as it can take up to a week for the insurance agent to get back to us with the paperwork.

V. OTHER INFORMATION

Sales Tax Exemption

C4CS is exempt from paying sales tax. When Project Leaders or their representatives are shopping where items purchased are exclusively for the benefit of the project, the retailer should be provided with a copy of the C4CS Wisconsin Sales Tax Exemption Certificate as well as the IRS Determination Letter for C4CS which acknowledges the entity as a nonprofit. If you do establish an account at a store under C4CS, please let us know the details so that Project Leaders don't need to re-create the account.

C4CS has obtained a customer number for OfficeDepot, which is 08052411. This account may be used to purchase project supplies without paying sales tax.

Not all retailers will establish accounts or allow tax exempt purchases. If a Project Leader or their representative attempts to purchase exempt from sales tax and the retailer denies their request, it may be possible to apply for a refund, depending upon the retailer. It will be the responsibility of the Project Leader or representative to pursue refunds of sales tax if they have initiated the original purchase.

Monthly Reporting to Projects from C4CS

At the end of each month or upon request, the C4CS Accountant will email each Project Leader a year-to-date Income Statement for their project. An Income Statement will summarize all income and expenditures for the fiscal year-to-date. This information will also include an amount which represents any carryover of project income from the prior year end if the projected existed during that time. In addition, each Project Leader will be provided with the detail of such income and expenditures in the same period. Project Leaders are encouraged to review these reports and contact the C4CS Accountant with questions or to correct the classifications of project transactions where necessary.

Project reporting will typically include the date of the receipt or expenditure, the source of the transaction (receipt or bill), customer or vendor name, memo or invoice number which matches the payment, and the amount of the payment.

If there is a project which is not very active or active seasonally, C4CS may send quarterly statements instead of monthly statements. The same information described above would be included.

At the onset of relationship between C4CS and a new project, the $250 start-up fee that is paid to C4CS is income to C4CS and will not be shown on a project financial statement.

Separate Organization Accounting

If a project has established a Wisconsin non-stock corporation and a checking account on its own where additional income (non-donation) and expenses not being run through C4CS occur, the project may need to file its own tax return for these additional items.

Year-end Reporting from Projects

At the end of the year, C4CS will file a 990 tax form that includes all projects. You do not need to file taxes for your project that is under C4CS. For C4CS tax reporting, the C4CS Executive Director will require information about your organizational accomplishments for the year ending December 31st. Each project will be contacted and requested to complete a form with this information in February or March of the following year.

This report should include approximately 10 lines explaining quantifiable data for the entire year such as the number of people served, the number of workshops held, the number of volunteers who served, and a recap of events, etc. It is advised that this information is tracked throughout the calendar year, where it is easily accessible at year end.

Lobbying

Please note that 501c3 nonprofits have limits on their ability to do political lobbying. Specifically, they are not allowed to endorse or fundraise for specific candidates, so please refrain from this on your project websites or social media pages. They are allowed to meet with policymakers and do other types of advocacy. https://www.naeyc.org/our-work/public-policy-advocacy/rules-501c3-nonprofit-lobbying

Project Exit Procedure

Projects are welcome to exit fiscal sponsorship at any point. Please notify C4CS in writing or via email of your request to terminate our fiscal sponsorship Agreement.

If you have become an independent 501(c)(3) please send us your designation letter, and we will disburse existing funds to this new entity.

If you are closing down your project, please do the following:

- If you have receipts for Project expenses and a sufficient balance of funds in your C4CS Account, please submit them for reimbursement
- If funds remain after all expenses are paid, you must designate a qualified 501(c)(3) organization as the recipient of the balance of funds. You may designate C4CS or another charity of your choosing to receive these funds. If your C4CS Project Account has a zero balance, C4CS will write you to acknowledge termination of our Agreement.
- If you have any property that was purchased by or created by your organization, that property must remain with C4CS or be transferred to another 501(c)(3), unless C4CS has a written agreement with you that permits a different arrangement.

FORMS

- C4CS Wisconsin Sales Tax Exemption Certificate. Give this to retailers and service providers as proof that they should not charge you sales tax. Our CES number is 048708.
- IRS Determination Letter – this lists C4CS's Employee Identification number (68-0501459) and provides legal proof of our tax exempt status.
- Request for Reimbursement Form
- W-9 for C4CS
- Blank IRS form W-9

Client#: 476466 CENTRFORCO

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 7/24/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Marsh & McLennan Insurance Agency LLC
CA Licnese #0H18131
PO Box 85638
San Diego, CA 92186

CONTACT NAME: Anita Romero
PHONE (A/C, No, Ext): 800 321-4696
FAX (A/C, No): 858-452-7530
E-MAIL ADDRESS: Anita.Romero@MarshMMA.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Alliance of Nonprofits forInsurance RRG	10023
INSURER B : NOVA Casualty Company	42552
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Center for Community Stewardship, Inc.
354 W. Main St, Ste 122
Madison, WI 53703

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY; PRO-JECT; LOC; OTHER:	X	X	201854348	06/01/2018	06/01/2019	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$50,000
							MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$2,000,000
								$
A	AUTOMOBILE LIABILITY; ANY AUTO; OWNED AUTOS ONLY; SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY	X		201854348	06/01/2018	06/01/2019	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH); If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		BBWWK1000051500	06/01/2018	06/01/2019	X PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Coverage

CERTIFICATE HOLDER

Evidence of Coverage

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Anita Romero