



Making it Easier to Make a Difference

Fiscal Sponsorship Services

Fiscal sponsorship helps social entrepreneurs do their good work in our community without needing to have their own nonprofit. Fiscal Sponsorship is a formal arrangement in which the Center for Community Stewardship (C4CS) sponsors projects that lack tax-exempt status. This alternative to starting a nonprofit allows projects to seek grants and solicit tax-deductible donations under C4CS's exempt status.

Starting a project through a fiscal sponsor is easier for two reasons: time and money. Forming a nonprofit and applying for tax exemption from the IRS often requires a lawyer and takes a minimum of six months. With fiscal sponsorship, you can get started raising money within a few weeks. But the main benefit of fiscal sponsorship is that you get to focus on the reasons you are doing this work in the first place, without having to worry about things like accounting, taxes, HR, Board recruitment, and insurance.

Fiscal sponsorship through C4CS is flexible - some projects go on to form their own 501(c)3, some projects remain a fiscally sponsored project, and others close after achieving the short-term goal their project was created to achieve. C4CS currently has more than 65 fiscally sponsored projects.

Fiscally Sponsored Project Benefits

- Comprehensive finance and accounting service. We pay bills and invoices weekly, and provide you with monthly Profit & Loss statements.
- Access to our Wisconsin tax exempt certificate, so your project does not need to pay sales tax.
- General liability insurance that is specific to your project.
- Human resources and payroll services. C4CS offers comprehensive HR services, as well as a full benefits package (including health insurance) available to employees working 24 hours or more.
- Contractors: C4CS will collect W-9s, and send contractors a 1099 tax form at the end of the year.
- Tax Filing: C4CS files one 990 tax form for the entire organization, which includes all fiscally sponsored projects. You do not need to file taxes for your own project.
- Financial audit. Some grantors require audited financial statements in grant applications. Audits generally run \$4,000-6,000/year, but all fiscally sponsored projects are included in our audit.
- Access to high quality online fundraising tools, allowing you to set-up fundraising campaigns.

Costs

- C4CS charges a cost share of 9% on project income; 12% on income coming from government sources. Nationally, fiscal sponsorship costs range from 7% to 15%.
- For projects with employees, there is a small fee charged per employee by our HR partner for payroll, HR compliance, and access to benefits. Projects are responsible for paying a portion of their employees' health care costs, and employer taxes. Employees have access to additional benefits also.
- There is a set-up / annual fee of \$250 to cover costs such as insurance, audit, and software.

The process

To become a fiscally sponsored project, contact Lisa Dugdale at lisa@community-stewardship.org or (608) 620-4266. After an initial conversation, a project can fill out our application and contract, and the project will be officially approved at a bi-monthly Board meeting.

Visit our website at www.community-stewardship.org.