

PRESENTED AT

The University of Texas School of Law
2018 Nonprofit Organizations Workshop and Institute
January 17, 18-19, 2018, Four Seasons Hotel, Austin, TX

Fiscal Sponsorship, Supporting Organizations, and Donor Advised Funds

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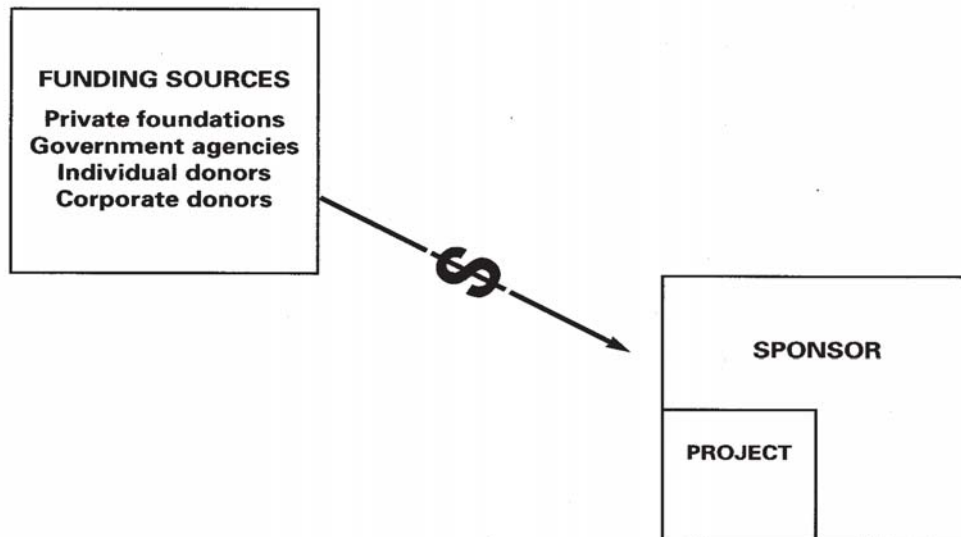
What is Fiscal Sponsorship?

- Not defined in the IRC, not a product of tax law
- Not referenced in corporation or business codes
- Not a product of trust law
- Instead, it is the commonly accepted term for the practice of a 501(c)(3) organization providing financial management, administrative services, technical support, oversight, or capacity support to a discrete charitable project
- Key: Sponsor must, at all times, retain legal discretion and control over the project

Why Fiscal Sponsorship

- Project incubation pending exemption
- Fundraising
- Efficiency
- Economies of scale
- Technical support
- Risk management
- Funder collaboration
- Public support
- Anonymity / privacy
- Reputation / credibility

Common Fiscal
Sponsorship Models



MODEL A — DIRECT PROJECT

From: Colvin, Gregory, (1993, 2005), *Fiscal Sponsorship: 6 Ways to Do It Right*, San Francisco, Study Center Press.

Direct Project Model

- Project is not a separate legal entity
- Contributions legally owned/controlled by the sponsor
- Sponsor hires all staff, contracts with consultants
- All revenue and expenses are attributable to the sponsor and included on sponsor's 990
- Liability and compliance risks borne by the sponsor
- Project may have advisory committee

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First appeared as part of the conference materials for the
35th Annual Nonprofit Organizations Institute session

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