

NECN provides a vehicle for emerging ideas, public-private partnerships, funder collaborations and temporary or limited-duration activities that benefit the inner North and Northeast Community!



Marketing Guide NECN Fiscal Sponsorship Program

NECN Contact Information:

General Inquiries – Fran Ayaribil, Special Projects & Initiatives (503) 388-9188 - fran@necoalition.org

DEFINITIONS:

NECN: Northeast Coalition of Neighborhoods (NECN), an Oregon nonprofit public benefit corporation organized under Articles of Incorporation, adopted by the residents of North/Northeast Portland, and qualified as a tax exempt, 501 (c) (3) entity under the Internal Revenue Code.

Fiscal Sponsor: A nonprofit, tax-exempt organization, such as NECN, which acts as a sponsor for a project of an external group which does not have its own tax-exempt status. Grants or contributions are made to the fiscal sponsor who manages the funds, in addition to providing other administrative services.

Sponsored Project: Sponsored projects are projects initiated by individuals or groups outside of NECN that are seeking funding, but are required by the funder to work under the auspices of a 501 (c) (3) organization. They are of limited duration, limited either by a termination date or by the completion of a project. Annual renewals are considered for projects lasting more than one year. Examples: Neighborhood Association, Business Association, incubating organizations, projects of limited duration, projects resulting from community efforts responding to community needs or calls to action.

ELIGIBILITY REQUIREMENTS:

- Projects must take place in and benefit the residents of the NECN service area (see map on application)
- Project must be initiated by individuals or groups outside of NECN that are seeking funding, but are required to work under the auspices of a 501 (c) (3).
- Project must be consistent with and further the mission and goals of NECN.

POLICY:

1. The NECN 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 NECN 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 NECN is serving its mission and complying with applicable state and federal laws.
2. The NECN Board of Directors encourages and supports the activities and projects of Neighborhood Associations, Business Associations, and other entities located in inner North and Northeast Portland that fit within the mission of NECN, are within the NECN boundaries, and do not jeopardize NECN's status under local, state, or federal law.
3. NECN offers Fiscal Sponsorship services to Sponsored Projects to be performed within the NECN boundaries. Sponsored Projects must formally request that NECN provide fiscal sponsorship services through completion and submission of the *"Initial Application for Fiscal Sponsorship."*
4. Only Sponsored Projects which are not themselves qualified as tax exempt, 501 (c) (3) entities under federal tax exemption provisions of the Internal Revenue Code shall be eligible to use NECN's Fiscal Sponsorship Services.

SERVICES:

1. **Accounting and administrative services include:**
 - Receipt of all income (cash, checks, grants) related to Sponsored Project.
 - Payment of all approved project expenses, in relation to approved budget.
 - Monthly financial reports which include: all income and expenses for the month and account balance.
 - Monetary Donor acknowledgement letters, which will serve as a tax receipt for donor records. Sponsored Projects may submit language to be added to the NECN tax-receipt letter with a short description of their project. Sponsored Projects may still send donors more personalized thank you letters on their own.
 - W9 and 1099 processing.
 - Coordination with grant funder and Sponsored Project to ensure compliance with all grant requirements.
2. **Insurance** – NECN will provide general business liability coverage. If additional insurance is required, for example, because of an event where alcohol is to be served or other significant

liability exists; NECN will charge the additional insurance premium to the Sponsored Project or Sponsored Project may purchase the required insurance on their own.

3. **Fundraising Support** – publicizing events on web-site and social media. Assistance with designing and/or writing appeal letters, event coordination, funder applications and reporting requirements.
4. **On-Line Donation Opportunities** – Links to Sponsored Project’s web-site and direct links to on-line donation sites.
5. **Other Services:** use of NECN conference room per schedule & availability.

Administrative Fees

Non-Neighborhood Associations: For the performance of its fiscal sponsor services, Fiscal Sponsor shall be reimbursed for its administrative and overhead costs in an amount equal to 7 – 15% of sponsored project’s budget. (Each sponsored project will be evaluated for a specific admin. Fee, based on the project’s scope, budget and NECN staff support.) **Sponsored projects with external grant funding should plan to request an administrative Fee in their grant application’s budget.**

Neighborhood Associations: NECN would provide fiscal sponsorship for an entire neighborhood association, which would include providing fiscal oversight for all of their activities and allowing the neighborhood association access to NECN’s tax-exempt status. For Neighborhood Associations with less than 25 financial transactions per contract year, this service is free. A transaction will include: (a) check requests, (b) donations or other income received and processed. Monthly financial statements and annual budgets do not count towards the transaction count.

For Neighborhood Associations who incur more than 25 financial transactions per contract year, there will be a 5% administrative fee taken out of the total income for the year.

Individually Sponsored Projects within a Neighborhood Association (whether or not the entire Neighborhood Association is fiscally sponsored) will be assessed administrative fees, based on the minimum of 25 financial transactions per contract year, provided there is no external grant funding that would cover the administrative fee.

External grants and NECN Fiscal Sponsorship: At all times, if a fiscally sponsored Neighborhood Association (NA) is applying for a grant, we require that the NA budget and request, at least, a 5% administrative fee from the funder. This includes NAs with less than 25 financial transactions per contract year. If the funder does not allow the administrative fee; NECN will provide the service free of charge for those NA’s with less than 25 financial transactions per contract year.



NECN Fiscal Sponsorship Application Instructions

Upon completion and submission of the “Initial Application for Fiscal Sponsorship,” **including a project budget**; NECN staff will coordinate follow-up communication and/or meeting(s), in order to evaluate the following:

- Scope of sponsored project (duration, amount of financial transactions, specific project activities, et al.
- Grants, sponsorships and other funding requests (procedures and requirements of funders).
- NECN staff capacity in relation to sponsored project needs.
- NECN cash flow considerations.
- Insurance liability risks.
- Consistency with NECN mission and service priorities.

Getting Started:

1. Initial Applications for Fiscal Sponsorship (FSP) are available on our website at www.necoalition.org. Go to What We Do / Sponsored Projects.
2. Submit the completed application, along with the project budget.
3. Upon receipt of the initial application and project budget, NECN staff will review and follow-up by telephone and/or e-mail. NECN may request additional information and/or schedule a meeting to review the entire application packet.
4. NECN may request additional meeting(s), if deemed necessary, in order to further discuss prospect request. If all required materials and information are provided; NECN will make a determination on the approval of the application and notify the prospect of final determination. (Usually within one or two weeks).
5. If the initial application is approved, a meeting is scheduled in order to go through the FSP Agreement, discuss all protocols and receive the Welcome Packet: copies of check request forms, In-Kind tracking sheet, blank w9, Insurance specifications sheet for external contractors involved with the project, Contractor Agreement template and reporting instructions.

Applications may be submitted:

1. Online: <http://necoalition.org/projects/sponsored-projects/>
2. By mail: NECN, Attention: Fran Ayaribil, 4815 NE 7th Avenue, Portland, OR 97211
3. In person (see above address – entrance on NE 7th Avenue).

If approved, NECN shall: (see list of services)

1. Keep all funds received for sponsored projects in a dedicated, federally insured account, over which only persons designated in NECN's Financial Management Policy shall have signing authority.
2. 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.
3. NECN shall not disburse any funds without a NECN Check Request Form. In the event that there is a disagreement between the Project Managers or between a Project Manager and a Sponsored Project's officers or directors regarding the appropriate disbursement of funds, NECN shall disburse funds in accordance with the Project Application, or not at all until a clear request is made. The NECN Board of Directors is ultimately responsible for ensuring that the funds are spent consistent with the approved project application or approved amendments.
4. NECN shall pay approved invoices within 14 business days of receipt.
5. NECN will send Project Manager(s) a monthly financial report with all income received and expenses incurred that month, the account balance for each project and a list of all cash donations received.

If approved, Sponsored Projects shall:

1. Designate, at least two project managers that will have authority to approve terms of agreement and payment of invoices and will be responsible for oversight and compliance. The project managers must be designated in writing by the Project Advisory Committee, Board of Directors or similar.
2. The project manager(s) must authorize all financial requests with a completed check request form with supporting documentation (copies of invoices and W9s for direct payment to vendor or proof of payment copies for reimbursement requests).
3. Provide a final budget to NECN for approval, prior to any disbursements of project funds. If the budget changes, an updated budget must be submitted in a timely manner and before further disbursements can be made.
4. Sponsored projects will be responsible for tracking and thanking in-kind donors on their own. The project manager(s) will be expected to send an "in-kind donation acknowledgement," including the NECN tax-id number for donor records.
5. Sponsored Projects shall provide a minimum of a mid-term and final report to fiscal sponsor.
6. Sponsored Projects agree to notify NECN of all grants, sponsorships and donation requests before they are made. The text of sponsored project's fundraising materials must be submitted to NECN for approval before being sent.

Types of Projects which NECN has provided fiscal sponsorship for include:

- **Community –building Activities:** Music and food festivals, Cultural events, Neighborhood Improvement projects.
- **Environmental Education:** Projects involving de-paving and establishment of storm water management systems in local schools, churches and other locations.
- **Projects that build relationships:** Between schools, neighborhood organizations, PTA's, churches, etc.
- **Fighting Childhood Hunger:** Backpack Lunch Programs which send nutritious lunches home with school children in need over the week-end.