



## THE DENVER FOUNDATION

### GRANT PROPOSALS FROM:

### AN ORGANIZATION WITHOUT 501(c)(3) STATUS USING A FISCAL SPONSOR

Under *limited* circumstances, The Denver Foundation may consider a proposal for funding from an organization that does not have 501(c)(3) designation, but that does have an organization with a 501(c)(3) willing to serve as its fiscal sponsor. **These proposals are considered on a case by case basis.** The fiscal sponsor must understand that it is the grant recipient and, as such, has full legal and fiduciary responsibility for how the grant funds are expended. In order to consider a request under this circumstance, the following items are required as part of the grant proposal.

The **non-501(c)(3) applicant** organization is required to provide all the items in the Proposal Checklist in The Denver Foundation's *Community Grants Program Guidelines*, *Effective 2010*, with the exception of its own IRS 501(c)(3) determination letter.

In addition, the **501(c)(3) fiscal sponsor** organization is required to provide these components:

1. A letter (maximum of two pages) that:
  - describes the relationship between the non-501(c)(3) and the fiscal sponsor. We want to ensure that the fiscal sponsor is not acting solely as a “pass through” to enable the non-501(c)(3) organization to receive a grant. Demonstration of the two organizations’ relationship might include the following: the non-501(c)(3) is physically housed at the fiscal sponsor’s facility, the two organizations share staff or board members, clients of the fiscal sponsor are served by the non-501(c)(3), or other elements that indicate a pre-existing relationship between the two entities;
  - includes a statement to the effect that the 501(c)(3) recognizes its legal and fiduciary responsibility for any grant monies that may be received for the non-501(c)(3);
  - contains the date and wording of a board resolution allowing the 501(c)(3) organization to act as a fiscal sponsor for the non-501(c)(3);
  - is signed by the board president and the executive director of the 501(c)(3).
2. Financial Information:
  - End of year financial statements: A Balance Sheet (with assets and liabilities) and a Revenue and Expense statement for the most recently completed fiscal year. Please refer to the Grant Guidelines (page 5) for An Important Note on Financial Attachments.
  - Current (year-to-date) financial statements: a Balance Sheet (with assets and liabilities) and a Revenue & Expense report, through the most recently completed operating month
3. A description of the fiscal sponsor’s programs and services (maximum one page).
4. The fiscal sponsor’s most current 501(c)(3) determination letter, dated within the last 5 years.

If you have any questions about these requirements, please call Bill Inama, Associate Grants Manager at The Denver Foundation, at 720-974-2600.

