

## Fiscal Sponsorship Models at a Glance

FISCAL SPONSORSHIP MODELS	BASIC CHARACTERISTICS	IS PROJECT A LEGAL ENTITY?	BASIC RELATIONSHIP	CHARITABLE DONATIONS RECEIVED BY
<b>A DIRECT PROJECT</b>	Project belongs to sponsor and is implemented by its employees and volunteers	No	Employer-employee	Sponsor
<b>B INDEPENDENT CONTRACTOR PROJECT</b>	Project belongs to sponsor but is conducted by separate entity under contract	Yes	Client-contractor	Sponsor
<b>C PREAPPROVED GRANT RELATIONSHIP</b>	Project applies to sponsor for one or a series of grants, sponsor funds project from money received from donors	Yes	Grantor-grantee	Sponsor
<b>D GROUP EXEMPTION</b>	Sponsor obtains federal group tax exemption, confers 501(c)(3) status on subordinate projects	Yes	Head-subordinate	Project
<b>E</b>	Deleted (see Summary)			
<b>L LIMITED LIABILITY COMPANY</b>	Project contained within LLC solely owned by sponsor as single member (SMLLC)	Yes	Owner-subordinate company	Project usually, but sponsor can also receive
<b>F TECHNICAL ASSISTANCE</b>	Project has own 501(c)(3) status, sponsor helps with bookkeeping, tax returns, payroll, management, etc.	Yes	Service provider-client	Project

SPONSOR'S LIABILITY TO 3RD PARTIES	OWNERSHIP OF RESULTS	WHO FILES IRS RETURNS SPONSOR	WHO FILES IRS RETURNS PROJECT	COMMENTS
Total liability for acts of employees	Sponsor	990; payroll tax returns	Individual employees file their own 1040s	Legally, project is no different than any other activity carried on by sponsor directly
Varies, may be partial or total	Should be conveyed to sponsor	990; possibly 1099, depending on legal form of contractor	Depends on contractor's legal status	Project can be done by one independent contractor as service to sponsor. Less common than Models A and C
Liable for selection of project grantee, plus terms set by funders	Project usually	990; possibly 1099, depending on project legal form and grant circumstances	Depends on grantee's legal status	Used by non-501(c)(3) project entity to raise tax-deductible funds from donors, private foundations or government grants
Typically only as provided in affiliation agreement	Project	Annual listing of subordinates, no financial info; may file one 990 for all projects	990 if project files own return	Project gets 501(c)(3) status under sponsor's supervision/control, no separate IRS application
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None if SMLLC is properly capitalized and managed	Project, although sponsor does own the SMLLC	990	Employment, excise tax returns	For larger projects with operational risk; project shares sponsor's 501(c)(3) status but has to do its own state filing
Only as provided in contract	Project	990, reports fees charged	990, reports fees paid	Sponsor provides financial management to project, but all funds are raised and spent in name of project