



FISCAL SPONSORSHIPS

Frequently Asked Questions

1. What is a Fiscal Sponsor?

A "fiscal sponsor" is a tax-exempt corporation (i.e. St. Croix Foundation for Community Development) that agrees to receive and disburse funds for your project, enabling *non-commercial* projects to apply for funding from organizations that require non-profit status (e.g. grants). Although some foundations and other funding agencies give money to individuals, many funders state that they will only fund projects that are administered by non-profit corporations and that are exempt from federal taxes under Internal Revenue Code Section 501(c)(3).

2. What does 501(c)(3) status mean?

501(c)(3) status is the federal tax designation given to a non-profit, charitable organization by the Internal Revenue Service for the purpose of determining which charitable contributions are tax-deductible. Additionally, most donors prefer to give to corporations that have been granted tax-exempt status under Internal Revenue Code Section 501(c)(3), because it affords them charitable deduction for their gifts on their federal income taxes. Such tax-deductible, benefits can serve as a major incentive for donors considering making a contribution to worthwhile projects.

3. What kind of Fiscal Sponsorship Programs does the St. Croix Foundation offer?

- Standard Fiscal Sponsorship: the St. Croix Foundation will serve as the exclusive fiscal sponsor for the duration of your project. As a fiscally-sponsored effort, you are entitled to the benefits of St. Croix Foundation Fiscal Sponsorship:
 - Accurate and timely financial management
 - Online resources, available through our password protected access to the Foundation Directory's global grant resource network, which includes contact lists of fundraising sources, sample proposals, and grant resource materials.
 - Greater fundraising potential and outreach with Foundation's reputation and credibility
 - Project listing on the St. Croix Foundation website
- Pass-Through Fiscal Sponsorship: the St. Croix Foundation will act as fiscal sponsor for one grant from a single funding source. In this arrangement, the St. Croix Foundation will serve as the project's fiscal sponsor on a one-time basis. It is the responsibility of the Project Director to account for the money as income and expenses for all tax purposes. Projects sponsored by the Foundation on a Pass-Through basis do not receive additional Program Benefits.

4. Does the St. Croix Foundation apply for grants, fundraise, or research for my project?

As your sponsor, the Foundation acts as a non-profit, tax-exempt umbrella that accepts and administers contributions made to your project(s). The Foundation is legally responsible for the funds received on behalf of fiscally sponsored project and must ensure that the funds are used for charitable activities, as agreed upon between the donor and recipient, and that the donor reporting requirements are met in a timely fashion. However, the Foundation does not act as a fundraiser or researcher in regards to the content or actual implementation of your project(s).

5. Am I or my organization eligible for fiscal sponsorship from the St. Croix Foundation?

Projects are accepted into the Fiscal Sponsorship Program only after passing through a thorough review process. In order to be eligible, you must meet the following requirements:

- Your project must be a non-commercial, community-oriented effort, which is closely aligned with the vision and mission of the St. Croix Foundation.
- Your Name of your project/organization must be registered with the Lieutenant Governor's Office.
- The focus area of the project must take place in and benefit the Territory of the United States Virgin Islands.
- The Project Director or Director of the Organization must be a U.S. citizen, have a Social Security Number or a Federal ID Number, and must not have been convicted of a felony.

6. When can I apply for Fiscal Sponsorship?

You can apply for sponsorship at any time after an initial interview, during which you'll be asked to provide a verbal project summary and identify funding sources. Applications are reviewed on a rolling basis.

7. How long does the application process take?

Once the St. Croix Foundation has received your completed application, it takes approximately two to four weeks for the review process. To expedite the review process, remember that your application should:

- Provide a well-written proposal that outlines your project, who or what is involved in its production, what charitable/community need it addresses, and how long you expect it to take.
- Provide a detailed budget outlining all costs associated with your project.
- Submit a timeline that covers the entire project plan.
- Include resumes of people who are working on the project; reviewers want to see what you have been working on, where you come from, and what experiences those involved in the project have.

8. What fees are charged for sponsorship services?

The St. Croix Foundation's fee schedule is based on a minimum charge of 7.5 percent and the level of services you require (see Fiscal Management Services Listing). Fees are reviewed on an annual basis.

9. What Type Of Activities Does SCF Accept For Sponsorship?

SCF currently considers the following types of activities for sponsorship:

- Collaborative, Philanthropic Efforts Among Several Foundations
By housing such collaborative funding efforts with us, foundations can pool funds and jointly manage disbursements.
- Community Efforts Responding To Crises And Urgent Calls To Action
Projects which arise under emergency and urgent conditions can be located with us, enabling them to begin charitable activities and provide receipts for charitable donations immediately, without waiting for the completion of incorporation documents or approval of tax exemption.
- Projects Of Limited Duration.
When located at SCF, temporary efforts can eliminate the costs and effort of establishing and then dismantling independent corporate status and accompanying administrative functions.
- New, Incubating Organizations
New efforts, where the long-term viability of the project is yet to be determined, may find that operating under a fiscal sponsor allows them to begin programs and services for a trial or incubation period prior to filing for independent incorporation. We also help connect incubating efforts to technical assistance providers in the community. Because the services SCF provides are predominately financial in nature, we feel that we are most helpful to incubating projects that have already made some progress towards securing funding.

Disclaimer: *St. Croix Foundation reserves the right to deny a project, or individual of a project, fiscal sponsorship services in the event that said projects and/or individuals promote sex, violence and/or profanity in a manner that is not (1) educational and (2) not aligned with our mission and vision.*