Fiscal Sponsor Framework

Purpose

United Way of Forsyth County (UWFOCO) serves as a catalyst for community transformation. As part of our commitment to growing local capacity, UWFOCO may enter into **fiscal sponsorship arrangements** with mission-aligned projects, initiatives, or emerging nonprofits. This framework outlines the expectations, structures, and policies for these relationships.

Definition of Fiscal Sponsorship

A **fiscal sponsor** is a 501(c)(3) organization that extends its legal and tax-exempt status to a project or initiative that does not have its own nonprofit incorporation. Under this model, the sponsored project becomes a **program of the fiscal sponsor**, operating under UWFOCO's legal, financial, and administrative umbrella.

Eligibility Requirements

Projects must:

- Align with UWFOCO's focus areas: Youth Opportunity, Healthy Community, Financial Security, and Community Resiliency.
- Serve Forsyth or Dawson Counties.
- Demonstrate clear goals, leadership, and intended outcomes.
- Provide a program plan and itemized budget.
- Commit to shared standards of governance, equity, and accountability.
- Not engage in prohibited activities (e.g., partisan politics, personal gain, or illegal activity).

Responsibilities of United Way of Forsyth County

- Provide 501(c)(3) tax-exempt status to the project.
- Maintain legal and fiduciary oversight of all funds and activities.
- Process and acknowledge all donations and grants.
- Handle financial administration, bookkeeping, and IRS reporting.
- Include the project in UWFOCO's audit and annual 990 filing.
- Provide insurance coverage (when appropriate).
- Offer technical support and compliance monitoring.

Responsibilities of the Sponsored Project

- Operate in alignment with UWFOCO's mission and policies.
- Submit a program plan, logic model, and approved budget.
- Designate a project lead responsible for day-to-day management.
- Submit financial documentation (invoices, receipts) for disbursement.
- Maintain timely and transparent communication with UWFOCO.
- Cooperate with evaluation and reporting requirements.
- Participate in shared storytelling, branding, and fundraising efforts when applicable.

Staffing & Employment

- Project staff are **employees or contractors of UWFOCO** (if applicable).
- All HR functions (hiring, payroll, benefits, supervision) are administered through UWFOCO in compliance with employment law and in collaboration with project leadership.
- Sponsored projects must adhere to United Way's personnel policies and procedures.

Administrative Fee

To cover oversight, financial management, insurance, and administrative burden, UWFOCO charges an **administrative fee**, typically between **5%–15%** of total revenue or grant funds managed. The rate is determined based on the complexity, risk, and scope of the project.

Reporting and Evaluation

- UWFOCO provides monthly or quarterly financial statements to the project lead.
- Projects are required to submit annual impact reports, data updates, and narrative summaries.
- Periodic evaluation may include site visits, interviews, and outcome assessments.

Governance & Branding

- Sponsored projects are **not legally separate entities** and may not act independently on behalf of United Way without approval.
- Projects may create advisory committees but do not hold formal boards of directors.
- UWFOCO retains final decision-making authority on fiscal, legal, and compliance matters.
- Use of logos, branding, and fundraising materials must be approved by UWFOCO.

Termination

This relationship may be terminated:

- By either party with 60 days written notice.
- Immediately for cause, such as misuse of funds or reputational risk.
- Upon mutual decision to spin off the project into its own 501(c)(3) nonprofit.

Upon termination:

- All remaining funds must be used for charitable purposes consistent with the original intent.
- Records and documents remain the property of UWFOCO.

Risk Management

UWFOCO will assess legal, reputational, and financial risks before entering any fiscal sponsorship arrangement. Projects must agree to indemnify UWFOCO where applicable and adhere to all insurance and risk mitigation policies.

Review and Oversight

All fiscal sponsorships must be approved by the CEO and Board of Directors and reviewed by legal counsel as needed. The Finance Committee and full Board will receive periodic updates on sponsored projects and their impact.

Conclusion

Fiscal sponsorship is a powerful tool for fostering innovation, equity, and local leadership. Through thoughtful stewardship, UWFOCO is proud to incubate projects that address urgent community needs while maintaining the highest standards of accountability and mission alignment.