

Fiscal Agent FAQ and Resources

What is a Fiscal Agent? Fiscal agency allows an organization without Internal Revenue Service 501(c)(3) tax-exempt status to receive funds via an established nonprofit with 501(c)(3) tax-exempt status.

What area Nonprofits can serve as Fiscal Agents? The Community Foundation of Greater Chattanooga acts as Fiscal Agent. You can find more information on their website: <https://cfgc.org/fiscal-sponsorship/>. You might also reach out to an existing non-profit that you have a relationship with to see if they might be interested in partnering with you for your project as your Fiscal Agents.

How long does it take to secure a Fiscal Agent? It depends on the organization you are working with. Some can take as long as two months or as short as two weeks. It depends on your existing relationship with the organization and their by-laws or policies for agreeing to serve as a Fiscal Agent for your project. For instance, the Board of Directors might need to vote on the agreement.

What should be included in an agreement with a Fiscal Agent? It's best to outline the responsibilities and obligations of both parties in a written agreement between the fiscal sponsor and the sponsored organization. The agreement should specify that the fiscal sponsor is responsible for all legal compliance relating to receiving, reporting, and acknowledging charitable donations. The agreement should also describe the administrative fee that the sponsored organization will provide to its fiscal sponsor, as well as any recordkeeping responsibilities that the sponsored organization owes the fiscal sponsor.

The National Council of Nonprofits created this Infographic:

<https://www.councilofnonprofits.org/sites/default/files/images/fiscal-sponsorship-infographic.png>