

Fiscal Sponsorship Guidelines

Thank you for applying to the Washington Peace Center's fiscal sponsorship program. Providing fiscal sponsorships is one of the ways in which we build the capacity of the peace and justice movement locally and build bridges with national allies. We are happy you're interested in joining the wider WPC family!

What We Offer:

Fiscal sponsorees can use our 501(c)3 status for any individual donations, in-kind donations or grant applications that need tax-deductible status. We can also offer an individualized Paypal button for their website to accept online and credit card donations.

Basic Guidelines:

- Projects must have a thought out and defined mission.
- Groups must have an US-based bank account independent of the Washington Peace Center (WPC), preferably in the name of the project. We can give guidance as to how to open it. Occasionally we can issue checks to individuals' bank accounts instead of projects, but that needs to be discussed and approved.
- We don't provide you or anyone else with tax advice. You're responsible for understanding and submitting all required tax or government forms. We can't help with other administrative services such as accounting, fundraising, tracking or thanking donors.
- WPC does not accept grants from the U.S. Government and will not act as the fiscal sponsor for such grants. Projects seeking funding from City or State Governments must review the requirements of such grants with WPC prior to submitting such an application and receive approval to apply, which will be on a case-by-case basis. WPC reserves the right to refuse to act as fiscal sponsor for grants from City or State Governments.
- You cannot apply for or accept funding from the DC Humanities Council as that would prohibit WPC or any other fiscal sponsoree from applying as well.
- Projects must submit a year-end report to WPC annually. This report may include: program descriptions, your money spent, changes to your staff or board, tax receipts given to your donors, info on fundraising activities, mailings, or materials, any media you distribute, and more. This is due January 15th.
- Our contract agreement will terminate after 3 years unless we both agree to extend the contract. If projects need to end their fiscal sponsorship with WPC for any reason (such as gaining their own 501(c)(3) status), they must notify WPC in writing.
- Groups can only spend up to 5% of their resources on [direct lobbying](#). This must be tracked and reported on annually.
- WPC charges \$25-50 sliding scale fee upon acceptance into the program. We also charge 7.5% of all monies received.
- Donation checks should be made out to the Washington Peace Center with your project's name in the memo field. We will write you a check for the total minus our percentage within two weeks of your donations clearing in our bank account.

Reporting Requirements:

The Project shall submit a full and complete report to WPC covering each calendar year for which this Agreement is in force (for all or part of the year). The report shall be submitted by The Project no later than January 15th of every year. It should be short – no more than 2-4 pages, plus attachments. The report shall detail:

- 1.) Any changes to your group structure, including changes to your board (if you have one), contact people, folks in leadership, steering committees, and other relevant information. Please make sure that our contact information for you is up to date by including addresses, phone numbers, and email contact and EIN number.
- 2.) Descriptions of any programs conducted by your group with the use of funds in the past year.
- 3.) A financial report that accounts for funds earned and spent, and estimated percentage of org resources spent on direct lobbying. You can send us a report of your own creation (or from Quickbooks, etc.) or you can make a basic spreadsheet and talk about your expenditure in the following categories: Direct program costs, direct personnel costs, travel, administration. Add categories if you need to.
- 4.) One example of a tax receipt/thank you note provided by your project to one of your donors. If you received no donations, you still must send us a sample thank you letter that you would use if you received donations.
- 5.) A list of any in-kind donations worth over \$75 that you gave a tax-receipt for
- 6.) A list of any donations received over \$5000 from any one person or entity. This could be an individual donation or a grant.
- 7.) One copy of any fundraising solicitations sent by your group, and a description of any other fundraising activities conducted
- 8.) One copy of any brochures, action alerts, flyers, or similar materials related to your group
- 9.) The first year we asked people to include copies of donation receipts over \$75 as part of the report. That was really confusing and we decided it wasn't necessary. You don't have to send us anything like that this year. You do, however, have to keep these receipts in your own files for at least 4 years for the IRS. This is for the protection of your donors.

Contract Explanation and full Guidelines:

Below is a paragraph-by-paragraph explanation of the formal Contract. Please be sure to review both documents to see if you have any questions.

1. WPC will accept donations, contributions, and gifts on behalf of your organization. We charge an administrative fee of 7.5% and forward the remainder to you by check in the

mail. We will write your check within a week of your donations clearing in our bank account.

2. You must provide us with copies of any governing documents you have (e.g. mission, vision, brochure, bylaws, etc.) and assure us that you will establish a bank account in the organization's name. You will need a federal ID number in order to do that and we can provide guidance on how to obtain one.
3. All donations you receive must be used for your organization. WPC reserves the right to hold your donations if you are in violation of your contract with us, or if you are involved with behavior that jeopardizes our organization or our tax exempt status.
4. You must spend all donations received within one year of receiving them and show in your year-end report how the money was spent. If you don't spend them, we have the option of requesting the money back, so please spend them within the year.
5. Donations received for your organization must be used by your organization. You cannot give them to anyone else or any other organization. You are responsible for spending your money in agreement with your contract with us.
6. You may fundraise in order to receive donations for your organization sent to WPC. You are responsible for your own fundraising costs and expenses.
7. WPC retains final discretion over all funds, even those earmarked for fiscally sponsored projects. We have final legal responsibility over the funds and we are trusting that you are spending it in accordance to your project's mission.
8. If you give your donors substantial benefits in exchange for donations, you must include this information in the tax receipt letter you send your donors, and let us know by listing in your year-end report. For example, if you have a fundraising dinner for which you charge \$200, you must deduct the cost of the meal from the amount of the \$200 donation, and note this deduction in the tax receipt letter you send to your supporter.
9. Donations are only tax deductible if they follow the IRS guidelines for tax deductible donations. WPC is not responsible for ensuring that your donations are tax deductible for your donors. You cannot provide tax advice to your donors. WPC reserves the right to refuse any donation.
10. You are responsible for filing your own taxes and reporting your income to the appropriate agencies: federal, state, local, and anyone else.
11. WPC will deduct from your donations any additional or unusual fees we incur as a result of processing your donations (examples would be Paypal fees or a fee for a bounced donor check). These deductions will be in addition to the 7.5% administrative fee.
12. Our fiscal sponsorship does not mean that our organizations are partners in all of your activities. Please inform us if you would like to use our names in conjunction with one of the actions or projects taken on by your organization. However, we'd appreciate if you would list us as your fiscal sponsor on your brochures or other official documents and link to us on your website.

13. You must submit a full report to WPC once a year. This report may include: program descriptions, your money spent, changes to your staff or board, tax receipts given to your donors, info on fundraising activities, mailings, or materials, any media you distribute, and more.
14. We can choose to audit you at any time to make sure you are following the guidelines of our contract as well as the law. Failure to cooperate with audits will be considered a breach of our contract together. You must keep all donation and project related records and documents (including all receipts over \$75) for at least four years after we end our contract agreement.
15. You may only use up to 5% of your budget for direct lobbying (see definition on our Fiscal Sponsorship page online).
16. You may not use any donations for political campaigns or candidates or in opposition to any political campaigns or candidates.
17. The IRS requires us to tell you that that you must not use any donations toward or in support of terrorists or terrorist activity. If you are found to violate [paragraph 3\(d\) of Executive Order 13224](#), we will be required to terminate your contract immediately and you must return any donations we have advanced to you, including those already spent by your project.
18. You must comply with local, state, and federal laws in areas in which you organize, register, or operate.
19. Your application must be accurate to the best of your knowledge.
20. You must notify us immediately of any change to your legal or tax status, any change to key staff members, any change to the focus of your project, or any changes to information provided on your application
21. You agree to protect WPC and all staff and board from any claims, liabilities, losses, or expenses, which arise from any action or inaction by your organization.
22. WPC or your organization can terminate this contract at any time with 60 days notice in writing by email. You may terminate the project if you feel the purpose of your project or organization can no longer be accomplished.
23. Our contract agreement will terminate after 3 years unless we both agree to extend the contract. The agreement must be extended in writing signed by both WPC and your organization.
24. This contract is governed by the laws of the District of Columbia.
25. Our written and signed contract agreement is the final word for all information about our fiscal sponsorship and in all disputes. Anything we may have discussed before signing in conversation or in writing is superseded by signing this contract.

Thank you letter/tax deductible donation receipt requirements

One of the benefits of having fiscal sponsorship with the Washington Peace Center is that donations made through the WPC are tax deductible for your donors. You should be sending thank you letters to your donors that will also serve as a tax receipt.

The language you absolutely need to include in your thank you is "no goods or services were provided in exchange for this contribution." If there were services included, the value of the services is deducted. (for example, if the donation was for a dinner event, the cost of the dinner is deducted from the amount of the donation, giving them a slightly lower donation amount). You should also indicate that donations are processed through the Washington Peace Center, your fiscal sponsor, and that the funds were forwarded to the organization.

Here is some sample language for a thank you letter:

On behalf of the _____, I would like to thank you very much for your gift of \$____. Please note that this donation is tax-deductible. No goods or services were provided in exchange for the contribution.

Donations are processed through our fiscal sponsor, the Washington Peace Center, who forwards the funds to our organization.