

San Cristobal Neighborhood Association

Fiscal Sponsorship Policy

1. Purpose

The San Cristobal Neighborhood Association (SCNA) may act as a fiscal sponsor for projects or initiatives that align with its mission and benefit the community of San Cristobal and surrounding areas. This policy outlines the criteria, responsibilities, and procedures for establishing and managing fiscal sponsorship relationships.

2. Definition of Fiscal Sponsorship

Fiscal sponsorship is a formal arrangement in which SCNA, a registered nonprofit organization, agrees to extend its legal and tax-exempt status to a project that furthers SCNA's mission. The sponsored project operates under SCNA's oversight and in accordance with applicable laws, nonprofit regulations, and this policy.

3. Eligibility Criteria

To be considered for fiscal sponsorship, a project must:

- Advance SCNA's mission and serve the San Cristobal community.
- Have clearly defined goals, activities, and a realistic budget.
- Comply with all IRS 501(c)(3) regulations.
- Have committed leadership capable of managing day-to-day operations.
- Agree to abide by SCNA's financial, legal, and ethical standards.

4. Application & Approval Process

1. **Written Proposal** – Applicants must submit:
 - A project description
 - Mission alignment statement
 - Budget and funding plan
 - Project leadership contact information
2. **Board Review** – The SCNA Board of Directors will review proposals for alignment, feasibility, and risk.
3. **Board Vote** – Sponsorship requires approval by a majority vote of the Board.
4. **Written Agreement** – If approved, SCNA and the project leadership will sign a Fiscal Sponsorship Agreement detailing terms, responsibilities, and fees.

5. Financial Management

- **Banking & Funds** – All sponsored project funds must be deposited into SCNA accounts.
- **Disbursement of Funds** – SCNA will disburse funds for approved project expenses upon receipt of proper documentation.
- **Fees** – SCNA may retain an administrative fee (typically 5–10% of revenue) to cover accounting, reporting, and oversight costs.
- **Recordkeeping** – SCNA will maintain accurate financial records for the project and provide regular reports to project leadership.

6. Legal & Compliance Oversight

- Projects must follow SCNA’s policies and mission, IRS rules for 501(c)(3) organizations, and applicable state laws.
- SCNA reserves the right to review and approve all grant applications, fundraising materials, and public communications.

7. Reporting Requirements

Sponsored projects must submit:

- **Quarterly Activity Reports** – Summary of accomplishments, challenges, and planned activities.
- **Quarterly Financial Reports** – Documentation of all expenses and revenues.
- **Year-End Reports** – Summary of annual activities and impact.

8. Termination of Sponsorship

Fiscal sponsorship may be terminated by either party with 30 days’ written notice. Grounds for termination include:

- Violation of SCNA policies or by-laws
 - Mismanagement of funds
 - Activities inconsistent with SCNA’s mission
- Upon termination, remaining funds must be used for purposes consistent with SCNA’s mission or transferred to another qualified 501(c)(3) organization, per IRS regulations.

9. Effective Date

This policy is effective upon approval by the SCNA Board of Directors and applies to all fiscal sponsorships initiated thereafter.

Approved by the Board on: 9/14/25

Board President Signature: _____

Secretary Signature: _____