



ECONOMIC AND COMMUNITY DEVELOPMENT

P.O. Box 1236 ~ Skagway, Alaska 99840 ~ Phone/Fax: 907-983-3414 ~ skagdev@aptalaska.net

SDC-Community Development Services Fiscal Sponsorship Policy and Procedure

Updated: 06/08/2021

SDC's Community Development Services (CDS) was formed in 2003 under IRS section 501(c)(3) as a non-profit organization and was created to focus attention on community issues, especially those affecting quality of life for residents. CDS accomplishes this by facilitating, developing, and promoting community services, infrastructure, and organizations for the benefit of the community as a whole.

Since its inception, SDC-CDS has been involved in Skagway's Yuletide festivities, "Buckwheat's" Heartbeat Walk, Junior Achievement, Skagway Ski Club, Rifle Range Development, Skagway Home Brewers Club, Skagway Library Fund, Have-A-Heart Fund, Sustainable Skagway, Dolly Parton's Imagination Library, Reverend Neil Down Fund, Garden City Market, Skagway Garden Club, Good Neighbor Volunteer's, Skagway Marathon Club, and Skagway Organic Garden Society, to name a few.

If the mission of your group dovetails with our vision of promoting the greater good of our community, we may agree to manage the funds of your organization or endeavor. In IRS terms, this is referred to as Fiscal Sponsorship. The following serves as a description of services and contract agreement, should you be selected for a Fiscal Sponsorship thru SDC-CDS.

Receipt of Funds

Upon agreement of a Fiscal Sponsorship, any donation that is given to your organization must be made in our name, ***SDC-Community Development Services***. Any thank you letters (acknowledging the receipt of donations) must be from our organization. This gives the IRS less reason to flag the donations that are given to our organization and shows that we are ultimately the managing entity. Any communications sent from SDC-CDS to donors regarding your organization will mention that the donated funds are going directly towards the mission of your organization.

Tax-Exempt Status

The use of our EIN should be used sparingly and solely under our discretion. Any requests to use this number for donation purposes must be done through the Executive Director, and we reserve the right to deny usage if we feel it could jeopardize our non-profit status. There are tax forms that we must use for any donations that we deposit into our bank account.

Communication and Recognition

We respectfully request a public mention of SDC-CDS's assistance in your endeavor, in any way you may find appropriate. Quite often, the time we put toward accomplishing the mission of our own organization, as well as the fiscal sponsorship of your organization, isn't recognized. Your word-of-mouth advertising will go far in promoting the services we offer, benefitting the community as a whole. This type of public acknowledgement is also something that the IRS looks for to verify that our work is legitimate. If you'd like to advertise our partnership on your website, request our logo files, we'd be happy to share them with you.

Fees

Application Fee

A one-time, non-refundable, \$30 application fee is required for any new group wishing to apply for Fiscal Sponsorship from SDC-CDS and must be submitted with the group's application.

Annual Fee

After the initial year of sponsorship, an annual service fee of 2.5% will be assessed based on the fiscally sponsored group's gross income of the previous calendar year's activity with a minimum fee of \$30, collected by July 15th of each year. *Fee's may be re-evaluated by SDC-CDS and adjusted, with prior notice given to the Fiscally Sponsored group.* Fee waiving is at the discretion of the board in extreme situations and on a case by case basis. Requests for fee waiver must be submitted by the Fiscally Sponsored Group by June 1 of the calendar year being requested waived from.

Termination

Should you choose to be fiscally sponsored by SDC-CDS, we reserve the right to close your account with us at any time. Grounds for account closure are as follows:

- Your organization no longer meets the goals of our mission.
- The actions of your organization become such that it jeopardizes our non-profit status with the IRS.
- Account inactivity for over 365 days, at which time a notice will be mailed to the address of the lead contact of your organization, as provided on your application. The lead contact will have 30 days to respond with explanation of further needs of fiscal sponsorship.

Terms of Account Closure

If at any time a fiscal sponsorship has come to an end, whether it be by termination at our discretion or a mutually agreed upon finalization, any unpaid annual fees will be taken out of the remaining funds in the account. Any subsequent funds will be:

- Donated to a like-minded charitable organization, as all funds in your fiscal sponsorship account had been previously donated for the purposes of the mission of your organization.
- If your organization has achieved non-profit status, all allocated funds for your organization can be transferred to your newly formed non-profit organization with the proper IRS paperwork. However, you *must* have 501(c)(3) non-profit status from the IRS.
- If your organization has found another option for fiscal sponsorship, all allocated funds for your organization can be transferred to the next fiscal sponsorship organization with the proper IRS paperwork. However, they *must* have 501(c)(3) status from the IRS.

When all of the above measures are taken, it will give our organization transparency and shows the IRS that we are managing our work accordingly and not simply serving as pass-through entity. This also ensures our oversight, as well as critical documentation. Our goal is to enlist your help in keeping our non-profit status safe while fulfilling the mission of our organization and yours, thus benefiting our community. If you feel that your project is in line with our mission and you would like SDC-CDS to be your Fiscal Sponsor, please fill out the attached application and submit it to SDC-CDS for consideration.

Sincerely,

SDC Board of Directors



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If you feel that your project is in line with SDC & SDC- Community Development Services' missions, and you would like SDC-CDS to be your Fiscal Sponsor, please fill out this application and submit it to SDC-CDS for consideration.

SDC Mission Statement: "To serve the community of Skagway as an advisory, administrative and technical source, by supporting business enterprise and community well-being through connecting people, ideas and resources."

SDC-CDS Mission statement: "To implement a process designed to encourage community development, community services, and to increase the quality of life in Skagway, Alaska."

Lead Contact Name:

Phone #:

Email:

Mailing Address:

Program/ Special Project Fund Name:

Description/ Specific Fundraising Event(s):

Mission Statement:

I, the above-named lead contact, have read and understand the SDC-CDS Program Fiscal Sponsorship Policy and Procedures document and have provided the \$30 application fee with this form.

Contact Signature:

Date

This Program/ Fund named above has been: Approved _____ Denied _____

SDC-CDS Officer Signature:

Date

The SDC-CDS Program Fiscal Sponsorship Agreement has been executed on _____
SDC-CDS Officer Initial: _____