

TSNE FISCAL SPONSORSHIP FAQs

Fiscal sponsorship is an effective partnership offering a comprehensive shared services platform to mission-based organizations. TSNE has been providing fiscal sponsorship services to nonprofits for more than 60 years and is currently registered to do business in 38 states across the country. Our seamless suite of services includes accounting, finance, governance and human resources management supports that allow program leadership and staff to focus on achieving their mission and program goals.

What is Fiscal Sponsorship?

Fiscal sponsorship is a less-costly and more efficient alternative to launching your own nonprofit 501(c)(3) corporation.

A fiscal sponsor can provide a suite of back-end administrative and financial supports, allowing staff to focus on the execution of their mission and programs. Both new charitable activities and long-established organizations are eligible to become fiscally sponsored organizations.

For new endeavors, a fiscal sponsorship arrangement allows time to evaluate if your idea works, and can instill confidence in potential funders who might be reluctant to provide support to a new nonprofit with no prior history or financials.

What are the benefits to becoming a nonprofit through fiscal sponsorship instead of forming a 501(c)(3) nonprofit corporation?

Starting a nonprofit through a fiscal sponsor is easier for two reasons: time and money. The process of forming a nonprofit corporation and applying for tax exemption from the IRS is expensive (typically requiring a lawyer), and generally requires a minimum of six months. There is a newer, simplified IRS form that shortens the process, but there are [pros and cons that should be considered](#).

What are TSNE's fiscal sponsorship services?

Our seamless suite of back-end services includes:

Human Resources Management

- Strategic Human Resources Planning
- Benefits Administration
- Payroll Administration, Time & Attendance, Tax Filing
- Recruitment Management
- Onboarding and Offboarding
- Employee Relations
- Human Resources Risk Management
- Employment Policies and Procedures Development and Administration
- Labor Laws and Regulations Compliance and Reporting
- Employment Verification
- Performance Management
- Compensation Strategy and Plan Design
- Training and Development
- Employee Data Management
- Coaching and Consulting
- Internship and Volunteers Program Design

- HR Forms and Templates

Financial Management

- Revenue and Expense Accounting
- Cash Flow Projections and Assistance
- Grants Management
- Monthly Financial Statements and Reports
- Purchasing and Bill Payment
- Corporate Financial Audits and Sub-Audits for an Additional Fee
- Annual Budgeting
- Financial Analysis and Planning

Compliance and Risk Management

- Legal Compliance
- Insurance Coverage
- Contract Review
- Legal Advice on Intellectual Property, Contracts, Nonprofit Law, Labor Employment, and Dispute Resolution
- External Legal Support for an Additional Fee

Is my organization a fit for fiscal sponsorship?

Are there types of projects TSNE does not accept?

We do not accept profit-making ventures, one-time-only events, film or video projects (i.e. documentaries). Additionally, we do not accept projects engaged in the following activities, due to the liability associated with them:

- Routinely litigate
- Practice medicine

Does TSNE accept faith-based organizations?

We welcome applications from faith-based projects, as long as they do not:

- Require adherence to a particular religious faith or doctrine
- Make claims that a particular religion or religious tradition is the "one true religion" to the exclusion of all others
- Make claims or enact practices that privilege members of a particular religion or religious tradition, or discriminate against non-members of a particular religion or religious tradition
- Claim that one particular religion has replaced all other religions
- Require active participation in religious rituals
- Have as a primary purpose the advancement of prescribed belief or observance

My organization already has 501(c)(3) determination. Can I still apply for fiscal sponsorship under TSNE?

Yes. A number of established nonprofit organizations have chosen to make their home with us, appreciating a new operating structure that allows them to better focus on mission. Please indicate in your application to us that you already have 501(c)(3) status. If you are accepted for fiscal sponsorship with us, you will no longer be able to conduct business under that 501(c)(3) tax determination. If there are any outstanding liabilities, you will not be considered for sponsorship until they are resolved.

My organization does not have current funding coming in. What are the funding requirements for fiscal sponsorship?

We currently do not have a specific funding level requirement. In reviewing your proposal, we are looking for a realistic projection of what it will cost to cover operational expenses of the organization. We will be looking for a strong development plan for raising those funds. Your expenses should reflect the activities of the organization. While you may not yet have funds from grants, individual donations, or other fundraising activities in hand, we are looking for commitments of funds or specifics on those funds.

My organization engages in lobbying and advocacy work, will TSNE still consider my application?

In most cases, yes, if it is an allowable 501(c)(3) activity, not in support of a political candidate, we are notified of your intention to engage in the activity PRIOR to carrying it out, and it is in alignment with our mission and values.

Why do I need an Advisory Board if TSNE's Board is the legal governance structure?

All projects under our fiscal sponsorship must have an advisory board that provides oversight and guidance for the project. While the advisory board does not have legal responsibility for your project (that is the role of the TSNE board of directors), it typically fulfills many of the roles usually held by boards of directors, including annual review of the Director, resource development, serving as ambassadors for the project, and providing program and financial oversight. The size of your board should be manageable for a start-up organization; three to nine members is recommended.

How much will fiscal sponsorship cost?

What are the fees associated with Fiscal Sponsorship?

Our fee for fiscal sponsorship is 12% of your expenses. Services include all those listed above, including general liability insurance, accounting, audit, 990, payroll service, benefits administration, contract/legal and grant management. By sharing these costs with our other fiscally sponsored organizations, the cost to you is less than what you would pay vendors independently for the same service of a similar quality.

Are there any other fees such as start-up or termination fees?

There are no additional fees. However, there could be direct costs to projects that require supplemental insurance for activities not covered by our general liability policy.

What is the process for applying to become a fiscally sponsored organization?

When are applications for fiscal sponsorship due?

Applications for sponsorship are accepted on a rolling basis.

What happens after we complete the application?

Applications are rigorously reviewed by our staff and final determination of sponsorship is made by TSNE's board of directors.

How long is the application review process?

It takes us a minimum of six weeks to accept or deny an application.

Do you offer other services?

Yes, we offer services that are designed to meet the needs of complex and growing organizations, strengthen leadership skills, facilitate learning and strategic thinking, and provide practical and operational support toward the goal of increasing your capacity to achieve your mission.

Executive Transitions and Search

- Interim executive placement
- Sustainability and succession planning
- What's Next: Leading a thriving transition

Nonprofit Consulting and Strategy

- Human resources consulting
- Leadership coaching
- Organizational transitions

Training & Professional Development

- Better Nonprofit Management Training Series
- Customized Training

Property Management

- Professional property management services for nonprofit offices and spaces