



## What is a Fiscal Sponsor?

### Fiscal sponsorship

Fiscal sponsorship refers to a relationship in which one organization shares its tax-exempt status with another. In this relationship the organization that has tax-exempt status is the "**fiscal sponsor**;" the organization that (usually) does not have tax-exempt status (and may be incorporated or not) is the sponsored organization (or "fiscal agent"). Typically the sponsored organization seeks out a fiscal sponsor that has a similar or consistent mission. There are some organizations whose missions are to serve as fiscal sponsors or "incubators" of other nonprofit programs.

### What Fiscal Sponsor Does

The role of the fiscal sponsor can include performing many different administrative functions on behalf of the sponsored group and often includes taking on the responsibility of receiving and administering charitable contributions *on behalf of* the sponsored organization. Since the donations are made directly to the fiscal sponsor, the arrangement enables donors to make tax-deductible contributions to support the activities of the sponsored organization. In many sponsorships the fiscal sponsor charges an administrative fee for its services, usually a percentage of the budget of the sponsored organization or program.

### ATM Background on Fiscal Sponsorship

ATM was established in late 2008 as a group 501c3 umbrella for the Global CHE Network and Collaborative for Neighborhood Transformation. This provides IRS coverage for tax exemption for any of ATM's affiliates

At about that time we found out about Fiscal Sponsorship, which seemed to be what was needed. Our goal was to assist people we knew well, to continue to do transformational ministry and cover any costs we might incur but not as a main way to generate income to sustain ATM. Therefore we set up the guidelines for people to become affiliates, which would give them IRS coverage with the hope and expectation that each would eventually become independent.

### ATM as a Fiscal Sponsor

The Alliance for Transformational Ministry (ATM) exists to encourage the expansion of transformational ministry worldwide. To further this end, ATM enters into the following agreement of affiliation with individuals and groups who are implementing transformational ministry in the form of Community Health Evangelism projects. Affiliates do not have an employee relationship with ATM.