

## Information to prospective NMDC fiscal agents

- **The IRS guidelines for fiscal sponsorship is for organizations who plan on getting their own 501(c)3. Or are one-time activities that need short-term nonprofit status.**
- **Very important: By becoming a fiscal agent, your activities are treated by the IRS and others as NMDC activities.** That means that NMDC is financially and legally (as in liability) responsible for you.
  - We generally don't get involved in decisions you make, unless there are conflicts or concerns.
  - You can divide your activities into parts that are covered by fiscal sponsorship and others that are not.
    - In the same way you would do if you got your own 501c3 IRS status and wanted to retain a for-profit activity.
  - For the most part, NMDC is only involved with funds that are charitable donations and grants that require a 501c3 to apply.
    - But not ticket income or class income.
- **Because NMDC is limited in staff, you are largely be on your own, except where NMDC can offer suggestions.**
  - So unless you find an NMDC angel to help, we can't help with grant writing or management.
  - We do have Audience liability insurance that will save you \$. Most venues require proof of coverage to the venue - we can provide that with a few weeks lead time.
  - And you can use NMDC nonprofit status to get discounts with many organizations: theater and space rental, office supplies, etc.
- **NMDC will help you with handling legal docs for funders (like proof of nonprofit status and donation receipts), processing grants and donations, and reporting to NMDC for our annual IRS 990 reporting.**
- **To get the fiscal sponsorship, you need to present your proposal to a board meeting**
  - Usually at our board meeting- every second Tuesday of the month at 5 pm.
  - Our agreement has the info on we need in the presentation. 5 min is good and then the board will ask questions. Usually we vote immediately and sign the agreement on the spot.
  - Our two primary requirements from a fiscal sponsor:
    - Does the activity align with our mission?
    - Is there any liability concerns that put NMDC and the board at risk. Such as being sued by an injured student.